

The National Underwriter

A WEEKLY NEWSPAPER OF INSURANCE

THURSDAY, JUNE 25, 1931

"Without New Orleans All Western America Is Valueless" Talleyrand



THE YEAR 1803. Representatives of the United States have traveled to Paris . . . to treat with the French for the purchase of one city . . . *New Orleans*. 10 million dollars is the highest price set by President Jefferson. And the mission must not fail. For back home, in Kentucky, Tennessee, Ohio, farmers and traders demand full use of the Valley's keyport . . . they are planning an armed invasion if necessary, to seize *New Orleans*.

The American emissaries are stunned . . . they sense failure . . . Napoleon's minister, the clever Talleyrand, declares: "We will never sell the port alone; all the West is valueless . . . without *New Orleans*".

And the French offer all the territory from the Mississippi to the Rockies . . . for only five million dollars more than Jefferson was willing to pay for *New Orleans* itself!

The sale was made. Talleyrand's wisdom has

been proved. And now each year sees the Inland Waterways extended, further north, further east and west . . . enabling more industries to use the cheapest of all transportation, making *New Orleans* more than ever the gateway of the Mississippi Valley to world markets.

Manufacturers reap greater profits here. The River Barge Lines bring raw materials at minimum freight cost. Peak-production is maintained all year, with American labor working in a mild climate. Finished products speed over nine trunk railways to the nation's buying centers.

They are shipped to rich Latin American markets . . . 110 million people who make *New Orleans* their first source of supply.

President Hoover has said that *New Orleans* is a city of destiny. Now, that destiny begins to be realized. 1200 manufacturers here will tell you that their progress keeps step with the forward march of *New Orleans*.



Growing With New Orleans

Union Indemnity Company is proud to reproduce this advertisement which has given rise to so much favorable comment wherever it has appeared.

Prepared especially for the New Orleans Association of Commerce, it is part of a national campaign featuring the advantages of New Orleans as the manufacturing, commercial and financial center of the South.



*Divisions of Insurance Securities
Company, Inc.*

Union Indemnity Company
Detroit Life Insurance Company
La Salle Fire Insurance Company
Union Title Guarantee Company, Inc.

Union Indemnity Company

NEW ORLEANS



They're Not All in De Luxe Cabins

PERSONAL effects insurance isn't something that is bought solely by rich globe trotters who travel with six trunks, two servants and a look of bored disdain. Thousands of travelers and vacationists who never stepped foot on a trans-oceanic liner are excellent prospects for personal effects insurance. That is why many agencies a thousand miles from the sea are excellent producers of personal effects insurance.

Wherever there are civilized people there are good prospects for personal effects insurance — and other inland marine lines that all agents should know about. That's why the Ætna and World help their agents line up such business.

THE ÆTNA



FIRE GROUP



ÆTNA INSURANCE COMPANY - - - THE CENTURY INDEMNITY COMPANY
THE WORLD FIRE AND MARINE INSURANCE COMPANY
HARTFORD, CONNECTICUT

PIEDMONT FIRE INSURANCE COMPANY, - - - - - CHARLOTTE, NORTH CAROLINA

THE NATIONAL UNDERWRITER. Published weekly (with one additional issue in April) by The National Underwriter Company. Office of publication, 175 W. Jackson Blvd., Chicago, Ill. Thirty-fifth year. No. 26. Thursday, June 25, 1931. \$4.00 a year, 20 cents per copy. Entered as second class matter April 25, 1931, at postoffice at Chicago, Illinois, under act of March 3, 1879.

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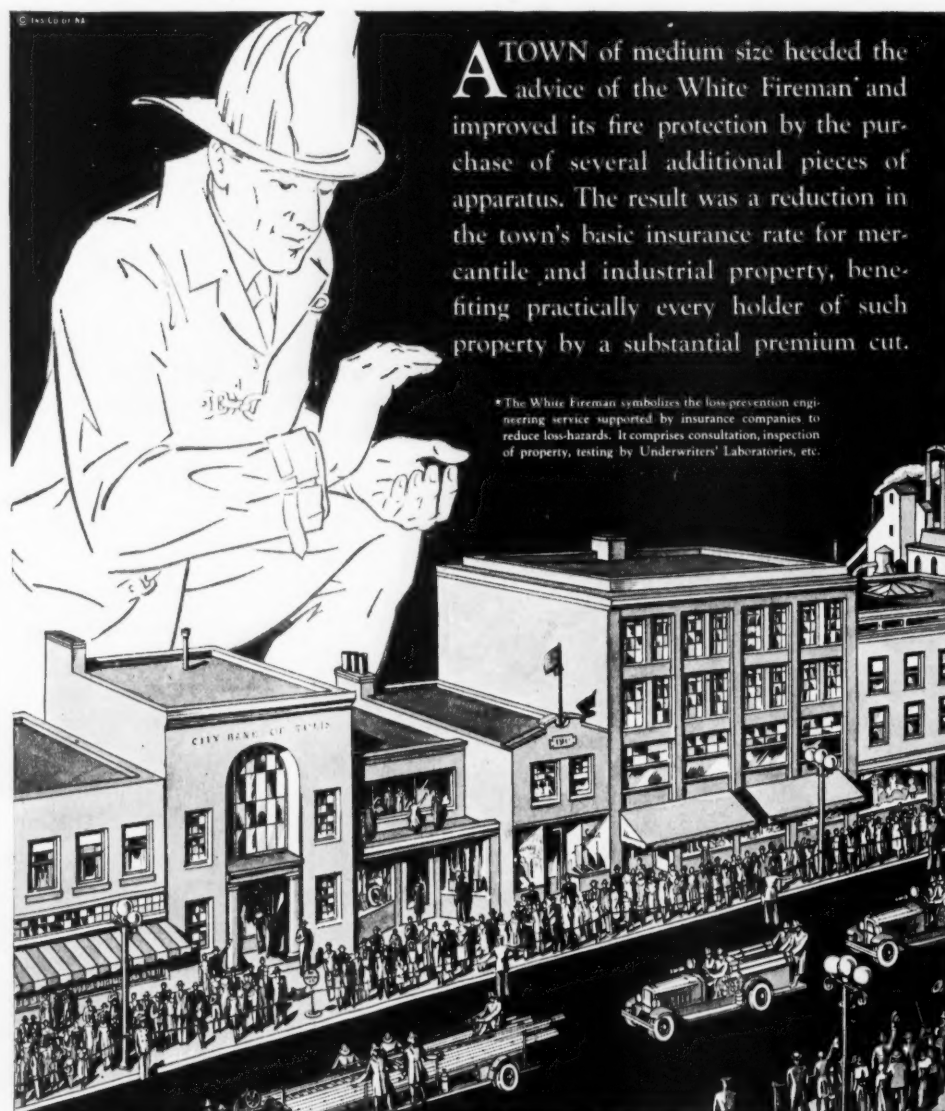
CHICAGO

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A TOWN of medium size heeded the advice of the White Fireman and improved its fire protection by the purchase of several additional pieces of apparatus. The result was a reduction in the town's basic insurance rate for mercantile and industrial property, benefiting practically every holder of such property by a substantial premium cut.

*The White Fireman symbolizes the loss-prevention engineering service supported by insurance companies to reduce loss-hazards. It comprises consultation, inspection of property, testing by Underwriters' Laboratories, etc.

WHITE FIREMAN Service may be secured through responsible insurance agents or brokers. Ask your North America Agent. He is listed in Bell Classified Telephone Directories under the heading—
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The
**Insurance Company of
North America**
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The Oldest American Fire and Marine Insurance Company—Founded 1792

and its subsidiary companies:
ALLIANCE CASUALTY COMPANY
THE ALLIANCE INSURANCE CO. OF PHILA.
CENTRAL FIRE INSURANCE COMPANY
INDEMNITY INS. CO. OF NORTH AMERICA
NATIONAL SECURITY FIRE INS. CO.
PHILADELPHIA FIRE & MARINE INS. CO.
write practically every form of
insurance except life

A WELL-EQUIPPED fire department is not only a proper source of civic pride; it is a real asset to a town, and pays dividends in the form of lower insurance premiums.

The White Fireman gladly advises municipal authorities on the adequacy of apparatus and personnel.

Above is shown, in reduced size and without the color of the original, a full-page advertisement appearing in The Saturday Evening Post, June 13; Literary Digest, June 13.

The National Underwriter

Thirty-Fifth Year No. 26

CHICAGO, CINCINNATI, NEW YORK AND SAN FRANCISCO, THURSDAY, JUNE 25, 1931

\$4.00 Per Year, 20 Cents a Copy

Goodwin Turns on Branch Offices

Describes Menace of System to New England Agents at Poland Springs

RECITES EVILS OF PLAN

Growth of Branch Offices Would Cause Much Business to Go to Mutuals, He Says

Maintaining his record of speaking out at each appearance upon a different subject or issue confronting the agents, President Goodwin of the National Association of Insurance Agents took apart the workings of the branch office system in his address before the New England Association of Insurance Agents at Poland Spring, Me., Wednesday.

Mr. Goodwin limited his condemnation to the casualty and fire branch office, as it is commonly known, but suggested that in the same category should be placed the entire business of companies dealing directly in production matters with the assured. "At some later date," he said, "I want to tell the agents details of a newer and even more pernicious specimen of branch office—the type which is responsible for depriving agents of even the infinitesimal commission allowed on the Hoover Dam construction bond; the type that paid the commission on the abandoned San Gabriel bond to a political agent; the type that approaches and makes contacts directly with banks, contracting firms and other large assureds, making it impossible for agents to render service and secure business."

Branch Office Evils

Branch offices, according to Mr. Goodwin, disrupt agency conditions, develop unfair competition to companies which operate through regular agency channels, threaten the existence of the insurance agency and presage an "inordinate" increase in acquisition cost.

The speaker composed a list of the type of persons, whose business, he says, is welcomed by the branch office. He mentioned the unemployed, chiropractors, store clerks, policemen, firemen, garbage collectors, street sweepers. "Apparently," he said, "the only prerequisite the branch office requires of its producer is the ability to procure a single risk, regardless of its size." He said the single risk producer usually is paid the same commission as the genuine agent receives.

The branch office, according to Mr. Goodwin, writes the policies, offers free rent to the producer, free telephone, stenographic service, policy delivery service, special agency solicitation service.

These non-policy writers attached to branch offices, he said, are not real salesmen and rarely solicit beyond the

U. S. Reports Farmer Is Not Adequately Insured

Insurance protection of the average American farmer is woefully inadequate, a survey by the Department of Agriculture indicates. The survey brings to light important problems facing farmers and insurance companies in this field.

Many economic risks confront the farmer. His buildings, machinery and equipment, livestock, household goods and supplies all are subject to damage or destruction by fire, lightning and windstorm.

Ignores Great Hazards

The farmer is operating a business with, as a rule, a great deal of invested capital and special hazards which may ruin him quickly, yet unlike modern urban business men he continues to operate, on the whole, with little or no crop insurance, livestock or other cover outside of fire insurance.

The insurance needs of agriculture are exceptionally numerous and varied. Nearly all the common forms of insurance protection are needed by farmers. Windstorm insurance is particularly needed by reason of relatively light construction of most farm buildings. There are other insurance needs peculiar to agriculture. He needs "all-risk" on his growing crops.

Cotton States Deficient

In the east, middle west, and far west, fire insurance on farm buildings and other property is well nigh universal, and windstorm is also relatively common. But in the south, and particularly in the cotton states, these forms are more nearly the exception than the rule.

Surveys in selected typical areas indicate that only about 40 percent of white owner-farmers in the eastern cotton states have fire insurance and even a smaller percent carry windstorm.

The Texas insurance commissioner a few years ago estimated that about 25 percent of Texas farmers carried fire insurance. For the country as a whole, it seems probable that three-fourths, or possibly four-fifths of the farmers, are insured against fire, and half to two-thirds against windstorm.

Overlook Farm Animals

Very few farmers carry insurance on farm animals, other than fire and windstorm. Livestock insurance outstanding in the United States and covering among other hazards, loss from disease or accident, is only a fraction of 1 percent of the value of farm animals. Moral hazard is partly responsible. Another reason is that American farmers can bear the loss of one animal out of many.

A more pressing need is crop insurance. The only form generally available

business controlled by themselves and their families. The contracts which they place are improperly prepared and often result in dissatisfaction among the customers. He said that if this system continues and grows, it will result in mutuals getting many choice risks which unqualified stock company representatives have handled improperly.

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is hail damage. Every year thousands of farmers suffer heavy and often total loss from this cause. They spend about \$25,000,000 a year for hail insurance, which protects 8 or 10 percent of crop acreage.

Hail is only one of many hazards, and adequate protection calls for a comprehensive crop policy covering all causes beyond control.

Moral hazard is great, and also if insurance is written on an income basis, covering prices as well as yield, the carrier rarely can get a spread that will obviate discouraging losses.

The reason for the farmers' general lack of adequate protection is said to be threefold: 1. Wide disregard of the need for insurance and unwarranted complacency toward personal assumption of serious risks; 2. lack of income sufficient to permit purchase of adequate protection; and, 3. lack of insurance facilities that make protection available at a cost in keeping with the risk to the honest and efficient farmer.

Patronize Farm Mutuals

Fully half the farmers have provided themselves with their own fire insurance facilities through farmers' mutuals. There are nearly 2,000 of these and they carry about \$10,800,000,000 liability, insuring to about three-fourths of its value, approximately 55 percent of all insurable farm property. Upwards of \$3,000,000,000 farm fire insurance is carried in stock companies, and perhaps half that in other mutuals. The total value of farm property insurable against fire, based on 1925 special agricultural census, is estimated at \$23,100,000,000.

The situation in respect to windstorm is similar.

Stock Companies Do Well

In writing crop insurance, there are three groups of companies, stock, specialized mutuals and the state hail departments of North and South Dakota, Montana, Nebraska, and Colorado. Somewhat more than half of the hail insurance has in recent years been carried by stock companies.

The report concludes that only by efficiently managed insurance carriers with coverage limited to more substantial hazards can insurance cost for agriculture be kept sufficiently low so farmers can carry, in reasonable amounts, all the various forms of protection that they need.

West Virginia Agents Insert in This Issue

Complete proceedings of the West Virginia Association of Insurance Agents' annual meeting at Huntington last week are carried on page 20 of this issue. Ralph E. Richman of the National Underwriter's Cincinnati office covered the meeting and has written an interesting report.

New England Men at Poland Spring

Annual Meeting of the State Associations Created Much Interest

VARNEY WAS IN CHAIR

Insurance Service Treated from Various Standpoints by the Speakers at the Convention

POLAND SPRING, ME., June 24. —"Insurance service" treated from the angles that the companies provide it; the public requires it; the agents sell it; keeping it up to date and company appreciation of service of the agents, was the compelling theme of the tenth annual convention of the New England associations of insurance agents held here this week for the second time in the decade.

If the attendance was not up to that of any of the previous years, the 300 or more agents and guests and speakers were surely of as high a caliber as at any preceding gathering. Interest was keener than ever in the problems discussed and the programs were presented with more than the usual snap and precision.

Business Session Opened

There was an informal get-together dinner without speaking Monday night, followed by dancing and entertainment features provided by insurance talent.

Prompt attendance contest brought 150 agents and others into the convention hall Tuesday morning for the first session before the opening hour and the wife of James Madden, a Brockton, Mass., agent won the \$5 prize when the ticket was drawn by Jennie Sue Daniel, editor of the "Agency Bulletin."

President J. T. Cole of the Maine association welcomed the agents to Maine and was followed by C. W. Varney of Rochester, N. H., chairman of the New England advisory board, presiding over the convention, who told of the work of the past year. He paid high tribute to President Goodwin, enumerating in detail the national problems handled by the national leader. He showed the New England states had gained 107 members in the past year and referred to the friendly relations existing between the New England Insurance Exchange and the New England advisory board, marked by two joint dinners during the year.

R. G. Hinkley's Address

R. G. Hinkley, New England department manager American of Newark, told the New England agents that they should not confine their crusade against non-policy-writing agents and overhead writing to the adoption of resolutions. He said each agent individually should protest to the offending company, following that, in the event of inability to

(CONTINUED ON PAGE 15)

Erfert Is Made President of Wisconsin Underwriters

FIELD MEN'S ANNUAL MUSTER

Members Are Urged to be More Militant in Legislative Activities of the State

OFFICERS ELECTED

President—W. B. Erfert, Crum & Forster.
Vice-President—Arthur H. Ely, North America.
Secretary-Treasurer—E. L. Sternberg, National Liberty.
Executive Committee—C. E. Hayne, America Fore; Henry Schwartz, Phoenix of Hartford; W. S. Audiss, State of Pennsylvania.

By R. W. LANDSTROM

Members of the Wisconsin Fire Underwriters Association in their annual meeting Tuesday urged a more militant attitude on the part of field men in legislative matters. This organization is the Western Underwriters Association body in Wisconsin. The meeting which was confined to one day in keeping with other field gatherings in western territory spent the morning in business session and devoted the afternoon to sports. The meeting was opened by President C. E. Hayne who called for reading of various reports from the committees.

Reports Are Made

C. P. Helliwell of the New Brunswick read the report of the delinquent balance committee in which he deplored the lack of cooperation on the part of members. The report of the educational committee was presented by C. W. Hutchinson, Pennsylvania Fire. He outlined the activities of that committee in combating the inroads of state fund mutual and reciprocal competition. C. R. James, Aetna, presented the report of the entertainment committee.

In his report as president, Mr. Hayne stated that the organization had 116 members. He made an excellent presiding officer. At the conclusion of his report he was presented with a handsome memorial in token of the services he has rendered the organization during the past year.

The resolutions committee made a report of having sent telegrams to M. A. Freedy, retiring commissioner and to A. R. Mortenson, the recently appointed commissioner. There were two western managers present. C. R. Street, Great American, and W. D. Williams, Security. Both of these managers spoke and both urged a rapid clearing of mixed agencies. In the golf tournament W. D. Johnston, Springfield, won low gross with a 46 and also won the prize for the least number of putts. Wendell Phelps, assistant manager of the Wisconsin Inspection Bureau won the prize for the longest drive. In the ladies bridge tournament Mrs. Otelia Kintzel won the first prize. Second honors went to Mrs. Virginia Hayne; third, fourth and fifth prizes went to Mrs. E. O. Basse, Mrs. C. R. James and Mrs. R. T. Gravenstine.

Not a Cut Rate Company

President Muckerman of the St. Louis Fire & Marine objects to a headline in a recent issue in which it was stated that the "Kansas City Association of Insurance Agents Lifts the Ban on Cut Rates." President Muckerman says that his company is not a cut rate company. The St. Louis Fire & Marine is writing insurance in Missouri at 16% percent lower than the rate charged by companies that are parties to the injunction suit in the state. He contends that this is not a cut rate, as it has been conclusively and definitely established. President Muckerman is correct in his observations.

Agency Leader Now Back on Firing Line



PERCY H. GOODWIN
President National Association of Insurance Agents

Percy H. Goodwin of San Diego, Cal., president National Association of Insurance Agents, who following the mid-winter meeting at Nashville went to New York, held important conferences and spoke at some of the meetings, then trekked homeward, making important talks as he journeyed at a number of points. Since he arrived home he has been buried in correspondence and has had a thousand and one details to look after in connection with the National association. Back again he comes to the east and this week appeared before the New England Association of Insurance Agents at Poland Spring, Me. Greatly beloved, yet he has courage and fighting spirit galore.

C. S. Barton Dies

Death has claimed C. S. Barton, one of the promoters of the Commonwealth Fire of New York, and its president at the time of the company's sale to the North British & Mercantile in 1907.

Qualification Measures in Illinois Up to Governor

AGENTS, BROKERS JUBILANT

Bills Pass House and Senate During Closing Days of the Session

Agents and brokers in Illinois, who for years have worked in behalf of qualification measures, are jubilant now that the brokers and agents licensing bills have passed the Illinois legislature. The position of Governor Emmerson is anxiously awaited.

The brokers headed by F. P. Lavin, president, Insurance Brokers Association of Illinois, and the agents, headed by R. W. Troxell, president of the Illinois Association of Insurance Agents, have been devoting great energy to the passage of these bills throughout the long session of the Illinois legislature. Often, the bills seemed doomed to defeat or to burial in the mass of legislation, which became congested in the closing days of the legislature.

The brokers bill carries an appropriation of \$25,000, and the agents bill \$50,000.

What the Bills Provide

The bills provide that applications for brokers and agents licenses must be vouched for by two citizens and the director of trade and commerce may, at his option, call for a written or oral examination as to the qualification of the applicant. Chicago brokers must pay a \$10 license fee while down state brokers must pay a \$5 fee. Brokers who are also licensed as real estate agents need only pay \$5 for the original application and \$2.50 each year thereafter. Agents must pay \$2 per year per company. Solicitors for brokers and agents must pay \$2 for the first year and \$1 renewal.

A penalty of from \$100 to \$500 is provided for conviction of any violations of the act.

There is a reciprocating measure in the agents bill, providing that if any state imposes higher fees upon agents of Illinois companies, the agents of companies in that state may be assessed on the higher basis. Agents of life insurance

(CONTINUED ON PAGE 14)

Gandy Tells Kentuckians That Agents Are Needed

REPORTS STEADY PROGRESS

National Executive Committeeman Addresses Annual State Meeting on Current Problems of Locals

The National Association of Insurance Agents never has taken a backward step, although its progress in the early stages necessarily was slow, C. L. Gandy, Birmingham, Ala., member executive committee, National association, told the Kentucky Association of Insurance Agents at the Louisville meeting.

A new era dawned in 1919 when the president of the National Board spoke before the agents at the Louisville national meeting. That was the first definite advancement of the agents' hope of recognition of the National association by companies as a worthy institution and a necessary adjunct to the business.

Says Service Is Best Test

Mr. Gandy held that the company that best serves policyholders is the best company for agents to represent, which means, he said, that for the best interests of all concerned, companies should be classified from the standpoint of protection to the assured.

He referred to overstocking of both the company and agency field, the Hoover Dam contract bond question and other current problems.

He suggested that agents put their houses in order and then classify companies they represent, laying aside sentiment and personal friendships for the betterment of the business. Without such cooperation the coalition group pledge would be but another scrap of paper, he said.

Believes Agents Are Needed

Mr. Gandy said the principles of the National association are as well known to companies as agents, a large majority of companies accepting them as sound, fair and reasonable. He expressed doubt that any company or group could carry on without the aid of local agents, and he said company executives accept this thought as an accurate conclusion.

He held that 90 percent of agents' problems can be solved by simply classifying companies, and withholding support to those which do not play the game by established rules. He said he did not believe that any company today would think of trying to secure all its business through branch office solicitors or other direct methods; those experimenting in this field, he said, are holding on to their agents and using the direct method only for the purpose of increased production.

Requires Agents' Action

Non-cooperating companies will continue, he said, just so long as qualified agents represent them, for they can not live without agents, and as soon as agents refuse to represent them they must get right, or quit the field. He held that the cheater is unworthy of prosperity, while cooperating companies are due a debt from the agents, in that they have stood by regardless of the inconsistency of many agents. He said that it is easy to ascertain a company's record.

Issue 1931 Directory

The new 1931 directory of branch offices published annually by the Underwriters Adjusting is off the press. This handy guide is printed with a key system of corresponding numerals which enables companies to determine quickly just which branch offices handle certain towns over 500 population. It is available now for distribution to interested persons.

CONDENSED NEWS OF WEEK

Percy H. Goodwin discusses branch office situation at meeting of New England agents. **Page 3**

New England agents hold their annual meeting this week at Poland Spring, Me. **Page 3**

Department of agriculture reports American farmers are woefully underinsured; results of long survey. **Page 3**

Commissioner Lawson of West Virginia informs companies that rate discrimination must cease in that state on penalty of lower rates. **Page 5**

Nine W. U. A. companies cited by Nebraska department as result of separation activities. **Page 6**

E. W. Clark takes charge as the Iowa insurance commissioner following Commissioner Yenter's resignation. **Page 14**

Wisconsin Fire Underwriters Association held its annual meeting this week. **Page 4**

L. S. Shaw, Mayfield, Ky., elected president at Louisville annual meeting of Kentucky Association of Insurance Agents. **Page 5**

Illinois qualification measures await action by governor. **Page 4**

Virginia agents formulate militant program, elect Wilson president, at Bristol annual meeting. **Page 5**

The Illinois appellate court hands down important decision on official liquidation of insurance companies in Illinois. **Page 8**

C. L. Gandy of Birmingham tells Kentucky Association of Insurance Agents that steady progress is being made. **Page 4**

John E. Sullivan has been reappointed New Hampshire insurance commissioner. **Page 12**

Hope is expressed that the casualty situation can be approved by a new organization in Chicago. **Page 33**

National Bureau considering combination liability form. **Page 33**

Meeting of credit insurance men is to be held at Asbury Park, N. J. **Page 34**

H. K. Remington, former vice-president of the Constitution Indemnity, becomes manager of the Philadelphia office of the Fidelity & Casualty. **Page 38**

Department of Agriculture reports farmers of America are inadequately covered against casualty hazards. **Page 38**

Increased solicitude is seen at surety head offices on the depository bond condition. **Page 33**

Federal Surety stockholders meet June 30 on reorganization plan. **Page 35**

Rating much simplified under present plate glass manual, Carroll Tubman tells New York service bureau. **Page 35**

Shaw Is Elected Kentuckians' Head

Agents' Association Reaffirms Allegiance to National Organization at Louisville

DECISIVE ACTION TAKEN

Prominent National Speakers Contribute to Valuable Sessions at Locals' Annual Gathering

NEW OFFICERS ELECTED

President—L. S. Shaw, Mayfield.
First Vice-President—J. H. Gausepohl, Covington.
Second Vice-President—J. E. Manion, Henderson.
Third Vice-President—J. D. MacPherson, Madisonville.
Fourth Vice-President—W. H. Noel, Harlan.
Secretary-Treasurer—L. E. Thiemann, Louisville.

L. S. Shaw, Mayfield, Ky., was elected president of the Kentucky Association of Insurance Agents at the annual meeting in Louisville. He has been an active member for many years and served on the executive committee for a long time. He is fully conversant with state matters and the National Association of Insurance Agents. This is the first time a western Kentucky man has become president in many years.

A departure from the usual procedure was the naming of Mr. Shaw when N. I. Taylor, Burnside, had served but one term. Mr. Taylor asked that his name not be considered as a legislative year is to follow and he could not give the time.

Mr. Thiemann is also executive secretary of the Louisville Board. The four vice-presidents served the past year, but not in the exact order as reelected.

Pass Several Resolutions

Resolutions adopted reaffirmed allegiance to the National association and endorsed its constructive program. The work of National President Goodwin was commended, along with the stand on the Hoover Dam contract bond matter. Members were also called on to sign the responsibility pledge mailed by the National association. Members voted not to refer losses to adjusters who accept business from other than stock companies.

The opening session was largely given to routine matters. It was opened by President N. I. Taylor. John S. Long, president Louisville Board, gave the address of welcome, and response was by Vice-president J. H. Gausepohl.

President Taylor discussed phases of state and national work, commenting on the definite trend of banks away from insurance. He spoke of the investigation and report of the Interstate Underwriters Board, the National association stand against the compensation commission scale, election of G. D. Markham, former National president, as director of the U. S. Chamber of Commerce, proposed reciprocity in business, the Hoover Dam matter. He said agents should stand firmly for good business principles in spite of severe competition and discouraging business conditions.

President Taylor Talks

Mr. Taylor held that while the depression appears to have hit bottom, prosperity can not return overnight, but slowly with periodic setbacks. Thus sound principles, careful credit extension and careful underwriting are needed in insurance. He said the credit situation can not be blamed wholly either on

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Lawson Defines Rate Stand in Letter to G. C. Long, Jr.

W. VA. OFFICIAL ON WAR PATH

Unless Discrimination Ceases, He Will Enforce Preferential Tariff for All Property

Commissioner Lawson of West Virginia is on the war path these days against rate discrimination in his state. At the semi-annual meeting of the National Convention of Insurance Commissioners in Chicago, Mr. Lawson made the statement that if rate violations continue, he will insist that all property in the state be granted those preferential tariffs which he charges are now being given to clients of favored brokers and agents. Mr. Lawson defined his position in the following letter to George C. Long, Jr., chairman of the West Virginia Uniformity Commission: "My attention has been called," Mr. Lawson wrote, "to certain unauthorized rate deviations by some of the insurance companies—particularly on business written through non-resident agents and brokers. These reports come to me from various sections of the state.

Rate Decrease Unjustified

"The reports filed with this department by the companies would not seem to justify the reductions reported to have been given and offered in a number of instances. This department on the representation of the companies and based on the evidence submitted in the early part of 1927, granted a flat rate increase on certain classes of property. The reports filed for succeeding years would not indicate that any reduction in rates is justified at this time.

"This department does not wish to take any action that would be detrimental to the companies operating in this state in accordance with the laws, and this letter is written to you with the hope that you will communicate with the members of your association and warn them that this practice must be immediately discontinued, and that such policies written in violation of the rules and rates must be immediately corrected or cancelled.

"It is manifestly unfair and unlawful for the companies to discriminate as between property owners, and if this practice is continued, this department will take necessary action to see that the same rate levels are granted owners on all like properties."

GREER STATES POSITION

MONTGOMERY, ALA., June 24.—Action of the National Convention of Insurance Commissioners at Chicago in condemning rate violations has met the hearty approval of Superintendent Greer of Alabama. He declares it to be a "constructive move," and he urges state and company officials to undertake to stop rate wars. Mr. Greer also discussed briefly the situation in this state. His comments are as follows:

"All people well informed upon the subject of property insurance will appreciate the resolution adopted by the National Convention of Insurance Commissioners condemning rate violations. It is a very constructive move by the commissioners. Thoughtful company officials and conscientious state officials should immediately undertake to stop rate wars to the end that the business may continue upon a sound basis.

Situation in Alabama

"In this state, there appear to be at least two obvious reasons for the rate cutting:

"1. The appointment of incompetent agents by companies.

"2. The exceedingly keen competition caused in part by the economic depression and in part by the appointment of too many agents for a given territory.

"The appointment of incompetent

Ohio Man Candidate for Blue Goose Grand Office



R. W. HUKILL
Special Agent Fireman's Fund

R. W. Hukill, Cincinnati, special agent Fireman's Fund, is being sponsored by the Ohio Blue Goose, as a candidate for grand keeper of the golden goose egg, which would start him up the ladder for the highest office in the grand nest. He is the first candidate to be officially put forward for grand nest honors.

Mr. Hukill was born and reared at Norwood, O. He entered the local business with his father in 1910, where he continued until he entered the service during the World War, being commissioned a lieutenant in the infantry. Following the war he traveled for a short time for the Retail Druggists Mutual Fire of Cincinnati, leaving to enter the service of the Ohio Inspection Bureau at Columbus. In 1920 he joined the Fireman's Fund as special agent in Ohio and is still occupying that position, traveling principally southwestern Ohio.

Upon entering the special agency field, he immediately became affiliated with the Ohio Blue Goose. He was elected to the various offices and was made most loyal gander in 1927. He has been delegate to grand nest meetings in the past, and for the past four years, has represented the grand nest, as deputy most loyal grand gander for Ohio, Michigan and West Virginia. During his term in that office he has been interested in the organization of the relief fund, in both the Ohio and West Virginia ponds and an ardent supporter of the life insurance plan.

Mr. Hukill is active in fire prevention work in his state and in the Ohio Fire Underwriters Association. He is now a member of the executive committee of the Fire Prevention Association. He is one of the Ohio pond delegates to the grand nest meeting at Milwaukee.

agents is giving me serious concern. Why company officials do not watch with greater care the mental, moral, and temperamental fitness of insurance agents for their work is beyond me to understand. Upon these qualities, the reputation and good will, the quality of business secured, and a portion of the losses sustained will, to a large extent, depend.

"Keen competition for business is causing too many agents to be appointed in a given territory. This would not be so serious if companies would use greater care in their appointments. Agents go forth to write business. Some of them are no better qualified to counsel on insurance than I am to act as judge of the supreme court. From my point of view such practice is business suicide. When will company officials pause and consider this matter?"

Vigorous Action by Virginia Agents

Outline Militant Program of Work for the Ensuing Year

WILSON NOW PRESIDENT

Association Takes Big Step Forward at Annual Convention in Bristol Last Week

NEW OFFICERS ELECTED

President—W. O. Wilson, Richmond.
First Vice-President—J. A. Scott, Lynchburg (reelected).
Second Vice-President—E. W. Barger, Waynesboro (reelected).
Secretary-Treasurer—F. S. Blanton, Farmville (reelected).
Chairman Executive Committee—W. H. Bell, Norfolk.

The Virginia Association of Insurance Agents at its annual meeting in Bristol, Va., took vigorous action to meet many problems, including inimical legislation, and to build the organization to new heights.

W. O. Wilson, Richmond, who was elected president succeeding E. W. Kelly, has been executive chairman. Although the matter of naming a national councillor this year was left to the incoming executive committee and committee chairmen, an amendment to the constitution and by-laws was adopted providing that future nominating committees name a councillor for election by the membership at large.

Chairmen Are Elected

In addition to Mr. Bell, new executive chairman, other chairmen elected are: Legislative, C. J. Duke, Jr., Portsmouth (reelected); public relations, F. R. Sheen, Bristol; conservation, J. C. Jones, Appalachia (reelected), and membership, B. W. Sebrell, Lawrenceville.

In the 1931-1932 program are seven important items: (1) State legislation to protect the agency system against changing conditions; (2) further elimination of local agency representation by general agents; (3) division of the state by the membership committee and appointment of district sub-committeemen, preliminary to an extensive membership campaign; (4) increased efforts to combat mutual competition and cooperate with the Virginia Field Club to reclaim lines lost to mutuals; (5) standardization of local board rules with regard to brokerage commissions; (6) investigation of the proposed ruling of the state tax department for a levy on premiums of unincorporated agencies, a tax now paid by companies; (7) modification of the Virginia "guest" law statute and enactment of a driver's responsibility law, together with a comprehensive accident prevention program.

To Appoint Committee

A special legislative committee is to be appointed by President Wilson to draft a program of insurance legislation for presentation to the legislature next January. This committee probably will not be named until fall, when the agents will hold a regional meeting in Richmond.

The association contemplates paying particular attention to tightening the restrictions on licensing agents, as the present system is considered far from satisfactory. Mr. Wilson, an officer of the Davenport Insurance Corporation agency in Richmond, has had considerable experience in legislative procedure at the capitol.

(CONTINUED ON PAGE 13)



COVERAGES EFFECTED

FIRE,
AUTOMOBILE,
TORNADO,
RENTS,
LEASEHOLD
EXPLOSION,
RIOT and CIVIL
COMMOION,
PROFITS AND
COMMISSION,
USE & OCCUPANCY
INLAND MARINE
OCEAN MARINE

Peak Months.....

Summer is the open season for motorists. It is a period when automobile traffic is heaviest, when automobile theft and liabilities are greatest, and when automobile production and sales reach their yearly peak. The summer months likewise should be peak months for the sale of automobile insurance.

The Patriotic agent is always prepared to get his share or more than his share of new business. His complete policy equipment enables him to meet any requirement.

PATRIOTIC INSURANCE COMPANY of AMERICA

HEAD OFFICE
55 FIFTH AVENUE, NEW YORK

OSWALD TREGASKIS, President

WESTERN DEPARTMENT
WRIGLEY BLDG.,
CHICAGO

JOHN F. STAFFORD,
Manager

MARINE DEPARTMENT
11 SOUTH WILLIAM ST.,
NEW YORK

WM. H. MCGEE & CO.,
General Agents

PACIFIC DEPARTMENT
SAN FRANCISCO

C. A. HENRY,
General Agent

Herdman Challenges W. U. A. Companies on Separation

REVOCATION IS THREATENED

Nebraska Commissioner Summons Carriers for Session in July to Defend Action

Recent activities of Western Underwriters Association companies in enforcing upon Nebraska agencies their separation policy have resulted in nine of the larger companies, with their agents, being made the subject of complaint before Commissioner Herdman, who will cite them to appear at a date early in July but not yet decided upon to show cause why they should not be barred from the state and their licenses revoked. W. U. A. companies caused a big stir a year ago by making a drive to "clear" their agencies, but were met with a determined counter-attack by the Lincoln association, acting with agents in other sections of the state, with the result that the management said Nebraska would be omitted from the program of action then being pushed. Since then a number of local agencies in Nebraska have been separated without any trouble.

Basis for Complaint

The complaints are filed by Fred Walt, O. D. Trombla and B. K. Bushee, who have operated mixed agencies for a number of years. Mr. Walt is also head of the Union Fire, a mutual. They have invoked that provision of the insurance law which forbids companies from entering into combinations or agreements with respect to their manner of transacting business. Their specific complaint is that the companies named have entered into an illegal and prohibited agreement between themselves and other association members, the effect and intent of which is to prevent anyone from representing them who continues to represent any company not a member of the association. Complaint is also made that the companies have threatened to cancel the licenses of complainants as agents in Nebraska. They assert that they have valuable property rights that have been acquired through their long operation of an open agency in which non-members have also been represented that would be destroyed by the acts about which complaint is made.

Companies Named in Petition

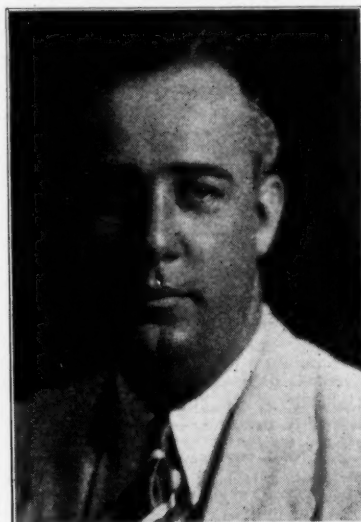
The defendants named in the petition are: Fidelity-Phenix and E. L. Crellin, Omaha, state agent; Continental, American Eagle, Springfield F. & M., and A. H. Brown, Hastings, special agent; St. Paul F. & M. and Charles Hohaus of Omaha, special agent; Globe & Rutgers and S. L. Gardner and John K. Morrison of Omaha, general agents; Caledonian and E. A. Reed of Omaha, agent; National American Fire and W. C. Dunker of Lincoln and J. E. Foster of Omaha, special agents; Columbia Fire Underwriters and J. H. Ball, Grand Island, agent.

U. S. Chamber Insurance Department Chairman

GREENSBORO, N. C., June 24.—C. W. Gold, president Pilot Life, has been named by S. H. Strawn, president United States Chamber of Commerce, chairman of the insurance department committee. Mr. Gold has accepted the post and expresses the greatest interest in the work of the national chamber in promoting better insurance standards.

For some years Mr. Gold has been a director of the national chamber and his appointment as head of the insurance department is recognition of able service rendered in other capacities. He recently completed a term as president of the American Life Convention.

New President



SCOTT NIXON, Augusta, Ga.

Scott Nixon of Augusta, recently elected president of the Georgia Association of Insurance Agents, is a young man filled with "Vim, vigor and victory." Aside from his insurance work Mr. Nixon acts as correspondent for The National Underwriter.

FIELD CHANGES

North America Field Shifts

A. B. Hart in Colorado and New Mexico—F. C. Williams, Jr., in Wyoming

DENVER, June 24.—The North America is dividing its Mountain territory. State Agent A. B. Hart, who formerly was responsible for Colorado, New Mexico and Wyoming, will confine his attention to Colorado and New Mexico. Francis C. Williams, Jr., who has been assistant engineer for the National Security of the North America fleet at Omaha, will supervise the North America and Central Fire in Wyoming with headquarters at Sheridan. Mr. Williams is a son-in-law of C. T. Davis, prominent local agent of Sheridan.

George B. Lilly

The Travelers Fire has appointed George B. Lilly special agent in the Newark branch office, under H. L. Denny, manager of fire lines in New Jersey, excepting Camden county. Mr. Lilly has been in insurance since May, 1919, when he was employed by Appleton & Cox of New York City. Later he became assistant secretary in charge of insurance for the estate of M. T. Pyne of New York City, and afterwards a special agent for the Allied Fire of Utica, N. Y. Just prior to his new appointment he was in the local agency business in Ridgewood, N. J.

Bank Failures Spur Some Agents to Pay Balances

Western executives report a material betterment in the collection situation within recent weeks, a condition which they attribute to the numerous bank failures. Many agents, who have been deferring payment of their balances for one reason or another, are now sending in their checks, fearing that the bank scare might hit their city and jeopardize their deposits. They seem to prefer to retire their obligations to the companies rather than face the possibility of having those obligations outstanding and their banks close, in addition.

VIEWED FROM NEW YORK

By GEORGE A. WATSON

L. & L. & G. IN NEW OFFICE

The headquarters of the Liverpool & London & Globe, Star and Federal Union have now moved from the Pershing Square building to 150 William street, New York, where all the Royal forces are now housed except the Globe Indemnity. It will move to New York in due season.

NEW YORK POND MEETING

The annual meeting of the New York City Blue Goose will be held in the rooms of the National Board the afternoon of June 29. Officers are to be elected and delegates to the grand nest chosen.

NATIONAL BOARD COMMITTEES

President Bailey of the National Board has announced the appointment of his standing committees. The executive committee is elected by the membership. The following are committee chairmen: R. P. Barbour, Northern of England, actuarial bureau; Paul L. Haid, America Fore, adjusters; John Kremer, North America, construction of buildings; Lyman Candee, Globe & Rutgers, finance; H. T. Cartledge, L&L&G, fire prevention and engineering standards; H. V. Smith, Home of New York, incendiary and arson; F. C. White, Hartford Fire, laws; Hart Darlington, Norwich Union, maps; R. R. Clark, Caledonian, membership; George C. Long, Jr., Phoenix of Hartford, public relations; W. R. Hedge, Boston & Old

Colony, standard rating schedules and forms; J. L. Parsons, Crum & Forster, statistics and origin of fires; P. B. Sommers, American, uniform accounting.

SHALLCROSS GOES ABROAD

C. F. Shallcross, United States manager of the North British & Mercantile, is en route to England, where he will visit the head office of his company. He is accompanied by his daughter, Miss Betty Shallcross.

ATLANTIC CITY LOSS

The third large fire experienced in Atlantic City within the past two years occurred Monday when a series of building fronting the board walk was destroyed, entailing a total loss roughly estimated at \$250,000. The largest individual loss was suffered by the Adams Bathhouse, one of the best known properties of its kind in the city. Appreciating the serious consequences that would result from a damaging fire in the community, Atlantic City maintains one of the most efficient fire fighting forces in the country. No inconsiderable part of the total tax is allotted for its upkeep. The ordinary frame mercantile risk pays a rate of from 4 to 5 percent, which accounts for the fact that the insurance carried averages about 50 percent of value. This low coverage makes for the elimination of the moral hazard and accounts for the freedom with which many companies write in the city, despite its severe potential hazards.

John A. Hanson Retiring on Account of Health

The Western Adjustment announces the retirement of Manager John A. Hanson of Detroit, effective Aug. 1. He will be succeeded by George H. Harrison, Michigan state supervisor, and at present manager at Saginaw.

Mr. Hanson was for many years an important figure in insurance circles of the northwest with headquarters at St. Paul. He joined the Western Adjustment at Minneapolis in September, 1918, later assuming charge of the Grand Rapids office. In 1921 he was named general adjuster at the head office and subsequently was transferred to Detroit as manager. Mr. Hanson built a splendid staff at Detroit and was successful in creating an excellent following. The considerations of health alone have made the change necessary.

Mr. Harrison is the company's oldest employe in point of service in Michigan, having served as assistant manager at Detroit prior to his removal to Saginaw in 1920. He will continue to supervise Michigan in connection with his other duties and will be ably assisted by General Adjuster H. F. Johnston and other members of the Detroit staff.

Mr. Harrison will be succeeded at Saginaw by B. J. Moore, at present manager at Flint. He has been with the company for 11 years and is well and favorably regarded by the insurance fraternity. The Flint office will be continued in charge of a resident adjuster under the supervision of Mr. Moore at Saginaw.

Ontario Superintendent's Father Dies

TORONTO June 24.—J. M. Foster, former head of the Canadian Home Circle order, and father of R. Leighton Foster, Ontario superintendent of insurance, died recently, in his 71st year.

Miscellaneous Notes

C. C. Ramsdell, president of the Gilbert & Parker Manufacturing Co., Springfield, has been elected a director of the Springfield F. & M.

A. J. Donohue, actuary of the National Automobile Underwriters Association, is

Freedy of Wisconsin Named for New Post



MILTON A. FREEDY

M. A. Freedy, who retires as Wisconsin insurance commissioner July 1, has been appointed general agent of the Alliance Fire of Philadelphia for Wisconsin, with headquarters at Madison.

Mr. Freedy was appointed Wisconsin commissioner Jan. 11, 1927. Prior to that for more than 20 years he traveled for the Phoenix of Hartford and Equitable F. & M. in Wisconsin as special agent. He was born in Racine county, Wis., in 1876. For over 12 years he was in the C. F. Hibbard agency in Milwaukee and for two years was with the western department of the Royal in Chicago. He became one of the outstanding insurance commissioners of the country.

enjoying a vacation motor trip with his family that will take the party as far west as Colorado.

Announcement

«»

SOME company officials, when advertising in THE NATIONAL UNDERWRITER is proposed to them, say: "What good will it do us?" They seem to be unable to think of even one reason why their company should advertise in the leading weekly insurance newspaper.

As surprising as this attitude frequently is, perhaps it is only natural, because most company executives are engrossed in the problems of insurance. They are not in the advertising business and should consequently not be expected to be familiar with all of its ramifications.

But we are, and we know that there are many sound reasons why insurance companies should advertise in an insurance newspaper having the circulation, standing and influence of THE NATIONAL UNDERWRITER. We intend to set forth those reasons in a series of advertisements to appear in this space every other week.

We will present only the reasons for advertising that have merit. A good insurance newspaper, such as ours, is able to give 100 cents of value for every dollar it receives. We will present our case in that light. We want no "support" and ask for none. We have something to sell that is as real and tangible as a carload of potatoes.

We hope that insurance company officials and all others interested in insurance journal advertising will read the presentation of our case as it appears in regular installments. Our messages will be brief, and we hope, interesting.

«»

The National Underwriter

The leading weekly insurance newspaper

E. J. WOHLGEMUTH
President



C. M. CARTWRIGHT
Managing Editor

AS SEEN FROM CHICAGO

A. J. CANN'S NEW POSITION

Andrew J. Cann, who for some time was Chicago manager of the Indemnity Company of America, and its successor, the Continental Indemnity, has been appointed casualty manager for the Chicago local agency of Cramsie, Laadt & Co. Mr. Cann has had a wide casualty experience and has a good brokerage following. The office is general agent for the Glens Falls Indemnity and the Car & General.

BLAINEY VISITS CHICAGO

James A. Blainey of New York, president of the Cosmopolitan Fire, has been spending a number of days in Chicago. Mr. Blainey is well known to insurance men. He has instituted a program of economy and efficiency in the Cosmopolitan organization which is saving much money.

BROKERS' MEETING MONDAY

A meeting of the Insurance Brokers Association of Illinois has been called for Monday, at which time there will be discussed the brokers qualification bill, which has just passed both houses of the Illinois legislature. Other topics of interest at this time will also be discussed.

President F. P. Lavin will speak on "The New Qualification Law—What It Means to the Broker"; George M. Eddy on "Proposed Increases in Compensation Cost to the Insurer"; Arthur Schwartz on "Proposed Changes in Compensation to Be Paid the Employee," and D. R. Domke, executive secretary, on the city license problem. There also will be reports from committees. President Lavin states that non-members are invited.

DECISION ON LIQUIDATION

A decision has been rendered by the Illinois appellate court in Cook county to the effect that some \$22,520 of attorney's fees incurred by H. U. Bailey, former Illinois director of trade and commerce, who served as liquidator of the defunct Marquette National Fire, must be disallowed. The result of this decision is that there will be \$22,500 more coming to the various claimants against the Marquette National when the \$22,500 is restored.

As liquidator Mr. Bailey employed E. J. Hennessy as counsel and his brother, H. J. Bailey, as special liquidator. For his services as deputy liquidator H. J.

Bailey was paid \$16,200, which was subsequently reduced to \$12,600. The original item of \$1,000 paid by the liquidator to R. M. Potts for counsel fees was disallowed, and \$17,500 paid on account of counsel fees to E. J. Hennessy and his request for further compensation to the amount of \$5,000 were disallowed.

The assets of the Marquette National at the time it went into liquidation were estimated to be about \$500,000. Claims, foreign and domestic, amount to approximately \$1,500,000. During the period of the service of H. J. Bailey there was collected \$363,496 and from this amount there was disbursed \$133,731, of which \$101,355 was for expenses of the administration of the estate.

Samuel Levin of the Chicago law firm of Silber, Isaacs, Woley & Silber handled the case for the Marquette National claimants and based his argument on the contention that the insurance company liquidation act of Illinois does not permit the employment of special counsel, but stipulates instead that the attorney general is the only counsel that may be used and that, therefore, the employment of additional counsel is illegal, which position was sustained by the court.

Insurance men believe that the handing down of this decision may mean that in the future excessive sums of money will not be spent in connection with liquidating companies in Illinois. In most liquidations large sums of money are frequently expended in the employment of special counsel and others who actually contribute very little to the real work of liquidating a company, and yet they collect large fees. With these eliminated, legitimate claimants will probably collect more money in the future when any company is placed in the hands of the state liquidator.

BOARD HAS TWO OUTINGS

The Chicago Board golf tournament at Crystal Lake resulted in victory for E. B. Vickery, who won first for low net score. Felix Norden won second and L. A. Rose third. E. A. Henne placed tenth; A. F. Shaw, 11th; J. I. Loeb, 13th, and Rockwood Hosmer, 14th in the list of prizes. The booby prize was won by Alex Teven; blind bogey first prize by Guy Richards. First place in putting was won by K. S. Ogilvie. L. E. Yager won first in the pitching contest. Prizes also were awarded George Blossom, Jr., and Fred J. Sauter.

The board also held an office picnic at Nippersink Lodge, attended by 145 persons. There was a tournament and gifts, including dolls, play-houses and baseball gloves were distributed to youngsters. There were games and a watermelon eating contest, which was won by Ray Pepera of the Chicago Board stock room.

WESTERN RESULTS STUDIED

Western executives have been studying closely the results in the 18 states in their jurisdiction from the publication, "Fire Insurance by States," which is put out by the "Weekly Underwriter." The 1929 total fire premiums in the 18 western states was \$232,689,000, while the 1930 total was \$197,706,000. There was an average loss ratio in the 18 states in 1930 of a little more than 63 percent.

A comparison of the fire insurance premium results in the 18 western states for 1929 and 1930 follow, with the last three figures in the exhibit for each state omitted:

	1929	1930
Colorado	\$ 4,772	\$ 4,483
Illinois	48,553	43,503
Indiana	15,328	13,915
Iowa	9,235	8,382
Kansas	8,536	5,262
Kentucky	10,054	9,644
Michigan	24,623	19,348
Minnesota	12,700	11,191
Missouri	17,638	12,202
Nebraska	5,129	4,855
New Mexico	1,457	1,451
North Dakota	3,354	2,634
Ohio	30,894	25,891
Oklahoma	11,007	8,768
South Dakota	2,760	2,617
Tennessee	11,068	10,049
Wisconsin	14,253	12,383
Wyoming	1,328	1,128

The Missouri and Kansas figures for 1930 were affected by the rate refunds.

LILL WITH NORTH'S OFFICE

Roy Lill, who was formerly in charge of the claim department of the Pennsylvania Surety in Chicago and later its manager there until it retired from business, has joined the Thomas T. North Adjustment Company in Chicago as assistant manager in charge of its all-risk, burglary and holdup department. Mr. Lill is a very competent claim man. The North Adjustment Company has grown in size and stature, requiring a man of Mr. Lill's ability to head this particular department. Mr. North started automobile adjusting in a small way and has built up an extensive business.

IFLAND IN ADJUSTING JOB

J. C. Ifland, who for eight years has been an engineer in the mill and elevator department of the Hartford's western department, has joined the C. & W. Adjusting Company with offices in Chicago, East St. Louis and Peoria. Its Chicago offices are at A838 Insurance

Airplane Crashes in Roof of Farm House

To show that airplanes may cause damage to a residence and that the sale of airplane damage insurance is not stretching the point is brought to light in the heavy damage done to the farm house of Louis Gerken at Lake avenue and Sternberg Road, Glenview, Ill. Charles Lehr's Moth biplane, going 90 miles an hour, fell from a 200-foot altitude and crashed through the roof of the dwelling. The engine of the plane failed.

Exchange. Members of the firm are D. P. Willerton and B. Coffey. The adjusting company has facilities for handling fire, automobile and casualty losses. Mr. Ifland, prior to his connection with the Hartford, served for five years with the Western Sprinkled Risk as an engineer.

HAIL PREMIUMS ARE OFF

Companies writing hail insurance on growing crops find that so far this year their premiums are off from 40 to 50 percent. This is due to the low price of wheat. About the same number of daily reports are written and there is the ordinary amount of details to be disposed of. The low price of grain, however, has cut down potential values. So far this year the loss ratio is quite low. The harvest is in full blast in Oklahoma. Texas came through the season in very satisfactory shape.

PROJECT MARKING TIME

The movement in Chicago to revive the old local agents' association and form a new association of commissioned agents temporarily is marking time, due to the fact that leaders are confident another and perhaps more important movement, to put casualty acquisition costs in Chicago on a sound basis under the control of the Chicago Board, is near accomplishment. This latter matter is one of the major projects now before the National Bureau of Casualty & Surety Underwriters and it is confidently believed that it will be adopted in a week or two. The Chicago local agents feel that their plans should tie in with the casualty program and therefore they are holding theirs in abeyance until the casualty plan takes final shape. A committee of the Chicago agents was to have formulated rules and regulations

MARSH & McLENNAN

Insurance

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LIABILITY

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164 W. Jackson Blvd., CHICAGO

MINNEAPOLIS
MONTREAL
WINNIPEG

NEW YORK
PHOENIX
CLEVELAND

SEATTLE
PORTLAND

LONDON

PITTSBURGH
COLUMBUS

SAN FRANCISCO
INDIANAPOLIS
DULUTH

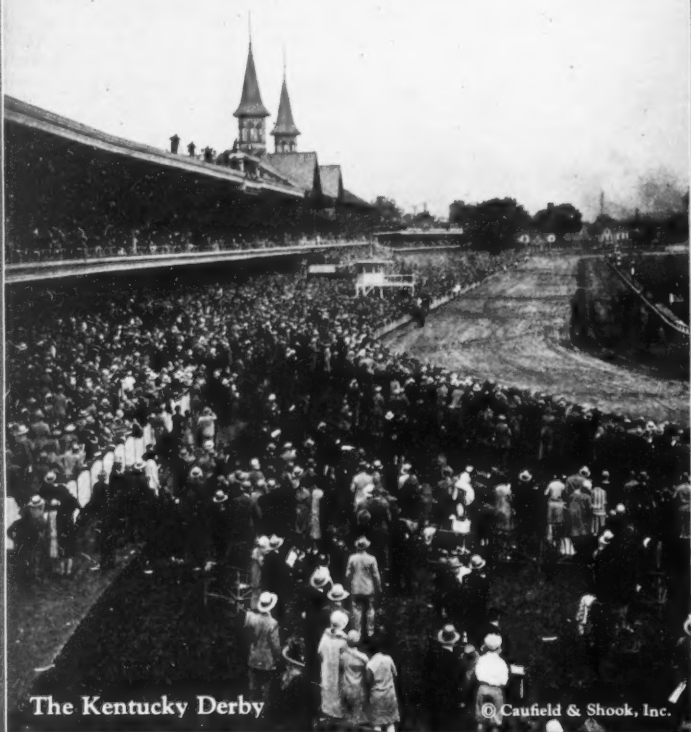
DETROIT
BUFFALO
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For the benefit of the insurer
our agents have multiple-line
facilities at their command,
writing nationwide: Fire, Auto-
mobile, Marine, Casualty,
Accident and Health, and
Fidelity and Surety Bonds.
Fireman's Fund, Home Fire
& Marine and Occidental
Insurance companies, the
Fireman's Fund and Occiden-
tal Indemnity companies. . .

SAN FRANCISCO

NEW YORK CHICAGO BOSTON ATLANTA

'Way Down South' and the Dixie



The Kentucky Derby

© Caulfield & Shook, Inc.

LOUISVILLE Kentucky

IN MAY, 1778, General George Rogers Clark, on his way down the Ohio River to the Illinois country, landed on Corn Island and built blockhouses for his stores, and cabins for some of the colonists who had come with him. Most of these settlers moved to the mainland the following winter and established themselves in a fort within the present limits of Louisville.

They organized a town government in April, 1779, and in May, 1780, incorporated the settlement under the name of Louisville in recognition of the assistance given by Louis XVI of France to the colonies in the Revolutionary War. It was chartered as a city in 1828, with subsequent charters in 1851, 1870, and 1893. The city's growth was greatly stimulated by the introduction of steam navigation on the Ohio in 1811, and by the construction in 1825-30 of the canal around the Falls of the Ohio. Today, Louisville is the largest city of Kentucky, a port of entry, and the capital of Jefferson County. It covers about 40 square miles, and is handsomely built, with wide, regular streets. It is here that the Kentucky Derby is run every year in May.

The DIXIE FIRE INSURANCE COMPANY Greensboro, N. C.

Organized 1906
Surplus to Policyholders \$1,186,927.14
ONE OF THE AMERICAN GROUP

for presentation at a general conference to be called soon, but in line with their desire to have their association dovetail in with the casualty program, they have taken no further steps.

* * *

TWO VETERANS' ANNIVERSARIES

Two men in the western department of the Hartford Fire, Chicago, have served about a half century with the company there. Frank H. Stephens, chief clerk of the loss department, recently achieved the 47th anniversary of his entrance into that department. James M. Watt, who is in charge of the "morgue" of loss cases, has been in the Hartford's western department 52 years.

* * *

BENJAMIN RUSH IN CHICAGO

President Benjamin Rush of the North America is visiting the western department of his companies this week.

* * *

HAROLD LORENZ BEREAVED

Harold W. Lorenz, an associate of the Rockwood Company general agency in Chicago has been the recipient of condolences from his many friends, owing to the death of his wife, Myrtle Carnes Lorenz, at the Edgewater Hospital last week.

* * *

CHILDS FEATURES DE ROODE

Childs' restaurants in their menus and advertising cards are featuring prominent men who frequent their tables. Publicity is now given to Holger de Roode. Under the title of "Celebrities Who Dine at Childs," and using his cut, the menu says:

"The dean of fire insurance underwriters in Chicago is a constant patron of the Childs restaurants in that city. . . . Holger de Roode is a trustee of the Holland Society of Chicago and a founder of the Chicago Ethical Society. . . . At dinner in Childs he may be discussing tennis, music, history . . . or the splendid food."

* * *

EDMUNDSON'S FATHER DEAD

H. C. Edmundson of Chicago, agency superintendent of the America Fore group, and Mrs. Edmundson are in Omaha, called there by the death of Mr. Edmundson's father, J. G. Edmundson.

* * *

MISS MERRILL'S NEW WORK

Miss Rita Merrill, who for the last ten years has been secretary to the manager of the Western Insurance Bureau at its head office in Chicago, is leaving to go to Cleveland to be secretary to President Ralph Rawlings of the Monarch Fire. President Rawlings appreciates Miss Merrill's ability owing to his Bureau presidency. Miss Merrill is well known to Bureau members and has attended the meetings of that organization to take down the proceedings.

* * *

IRA GOSS BEREAVED

Ira D. Goss of Chicago, head of the farm department of the America Fore, is receiving the condolences of his friends owing to the death of his brother, S. W. Goss of Evanston, Ill., who died suddenly at the home of his daughter at Glencoe, Sunday morning. S. W. Goss was formerly a Methodist minister in Indiana, filling important charges. He had been vice-president and head of the agency department of the Security Life of Chicago for 20 years.

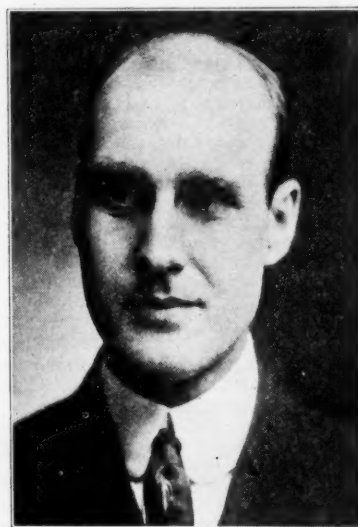
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W. J. Terrell, auditor in the Chicago branch of the Globe Indemnity, is now something of a museum piece. He negotiated the 11th hole—150 yards—on the Evanston Community golf course in one stroke.

Mouk Visits the West

R. L. Mouk of New York City, head of the western department of the North British & Mercantile, has been on a western trip going as far as Kansas and then visiting agencies in other states as he traveled eastward. Mr. Mouk was formerly in the Ohio field and is making a success in this department.

Mortensen Is Appointed Wisconsin Commissioner



H. J. MORTENSEN

MADISON, WIS., June 24.—Harry J. Mortensen of New Lisbon has been appointed insurance commissioner by Governor La Follette. His only experience in insurance work has been in investigations by the Wisconsin legislature. Mr. Mortensen was a member of the legislative committee which made insurance investigations a few years ago. Prompt confirmation by the senate is expected, and he will take up his duties July 1. He succeeds M. A. Freedy, who has been commissioner for four years.

Mr. Mortensen has for many years been closely identified with H. L. Ekern, former insurance commissioner and attorney general of Wisconsin. After graduation from the Stevens Point normal in 1898 he was principal of the Cadott high school for two years and then took up the study of law at the University of Wisconsin, graduating with the law class of 1902. He was city attorney of New Lisbon for four terms, district attorney of Juneau county for three terms and was elected to the legislature in 1908. Since then he has been engaged in the practice of law and banking at New Lisbon.

Extra Charge Required for Riot and Aircraft Covers

NEW YORK, June 24.—Superintendent Van Schaick has notified the Factory Insurance Association that the inclusion of riot and civil commotion and aircraft damage covers in its general policies, without additional premium charge, violates the New York law, and insists that on all such contracts issued in this state the proper premium be collected. The member companies of the association have on file with the department their rates for the lines mentioned, and failure to charge for them, it is intimated, would be discrimination.

WANTED Automobile Adjuster—Also Office Manager

One of the country's largest insurance organizations desires services of (1) experienced automobile adjuster to work out of Chicago, and (2) man capable of taking charge of office, who must have executive ability and knowledge of automobile insurance, accounting and office details. Splendid opportunity awaits the two men who can qualify. State age, experience, references, salary expected, etc. Address T-78, The National Underwriter.

INSURANCE EXECUTIVE WANTED

A growing organization is looking for an experienced insurance executive who can take full charge of and economically manage a home office; who can appoint and direct a field force capable of securing profitable agency accounts; who is more interested in future opportunity than present remuneration. State whether married or single, age, experience, references, whether you want salary or income; if former, lowest starting salary. Only interested in a man whose ability and faith in himself will cause him to set an earning objective far beyond what might be expected for just average performance. Write Attorney John W. Creekmur, 160 N. LaSalle St., Chicago.

NEWS OF THE COMPANIES

Ajax and Essex Combining

Two Newark Companies Decide to Unite—Both Owned by Eagle of That City.

The Ajax Fire and Essex Fire, both of Newark, N. J., have voted to merge under the name of the Essex Fire. The Eagle Fire of Newark, the reinsurance company, controls both companies. The capital of the Essex Fire will be increased to \$750,000 and the assets will be over \$1,500,000. The Essex will thus become an active running mate of the Sussex Fire and will enter a number of additional states. The Ajax Underwriters will take care of the agents of the Ajax Fire. The management of these companies is in the hands of Arthur H. F. Shumm, vice-president and general manager. Franklin W. Fort is president. The last statement of the Essex shows assets of \$808,168, premium reserve, \$106,400, capital \$250,000, net surplus \$425,279, premiums \$101,659. The Ajax has assets \$693,212, premium reserve \$117,929, capital \$200,000, net surplus \$352,490, premiums \$95,576, losses \$53,394.

Chicago Companies to Merge

Consolidation of Chicago F. & M. and Presidential Being Consummated by O'Brien Interests

Consolidation of the Presidential F. & M. and the Chicago F. & M., both of which are under the management of the O'Brien Insurance Agency of Chicago, is in process of consummation. The merged company, which will operate under the title of the Chicago Fire & Marine, will have a paid in capital of \$525,000. It will be managed by the present official staff of the two companies, headed by Harold M. O'Brien, president.

Stockholders of the Presidential will receive two shares of stock in the consolidated company for each one share of Presidential stock. Stockholders of the Chicago Fire & Marine will receive in exchange for each share held one share of the consolidated company's stock.

The Chicago Fire & Marine was organized in 1922 and the Presidential Fire & Marine started in 1923.

The Chicago Fire & Marine statement as of Dec. 31, 1930, shows total admitted assets \$2,767,374 and total liabilities \$2,075,175. The capital was reported at \$500,000 and net surplus \$192,199. The company's net premium writings in 1930 amounted to \$1,798,918.

The Presidential, as of Dec. 31 shows total admitted assets of \$1,079,900 and its net premium writings were \$436,881 in 1930.

E. A. Brownell Succeeds Cox

E. A. Brownell of Melbourne, Australia, has been elected president of the British America and Western of Toronto, succeeding W. M. Cox, who resigned to resume the practice of law. Mr. Brownell is manager of the Australian branch, with which he has been connected for 25 years. He will take up his residence in Toronto later.

W. H. Martin is retiring as secretary and foreign manager at the head office. He has been in the service of the company since 1907. He will reside in England.

Albany Capital Increase

Increase in the capital of the Albany, a member of the Atlas group, from \$250,000 to \$1,000,000 has been approved by Superintendent Van Schaick of New York. Total admitted assets of the Albany as of March 31 were \$2,200,287, li-

abilities \$888,563, capital \$250,000 and surplus \$1,061,724.

Safety First Dissolved

Affairs of the Safety First Fire of Chicago, which was placed in the hands of the attorney general for liquidation in July 1930, are being finally disposed of, with a decree of dissolution having been entered. The company was organized in 1925, taking over the business of the

Bohemian Mutual Fire. It operated only in Illinois. The president was Gustav Klima.

Company Notes

The **Transportation** of New York and **Union Marine** have been admitted to Maine.

A Mississippi license has been issued to the **Associated Fire & Marine**. Ledbetter & Page of New Orleans will represent the company.

The **Central Fire** of Baltimore has been licensed in Montana, which will be handled through the Pacific Coast department.

Zeller Appointed Manager of Maritime of Liverpool

F. B. Zeller, manager of the New York marine department of the Royal, has been named United States manager of the Maritime of Liverpool, which is owned by the Scottish Union. He succeeds J. E. Hoffman, who has become United States manager of the British & Foreign. Mr. Zeller once succeeded Mr. Hoffman with the Royal.

The Maritime, which transacts marine business exclusively, has been in the New York marine office of the Royal.

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these things spell success and financial independence for capable men when backed by an aggressive institution. Strong and sound to the core.

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Insurance Company of America
MILWAUKEE, WISCONSIN

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Illinois
Michigan
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"... and send us ANGLES OF BUSINESS"

Executives from the following organizations of national reputation requested that their names be included on our mailing list of ANGLES OF BUSINESS:

Warner Bros. Pictures, Inc.
Vacuum Oil Co.
Carrier Engineering Corp.
Holeproof Hosiery Co.
Savage Arms Corp.
Wamsutta Mills
Forbes Magazine
United State Dairy Products
Sinclair Oil Refining
National Broadcasting Co.
Meistenscul, Geinerbe Zu
Leipzig
Coca Cola Co.
Frank D. Chase, Inc.
Stutz Motor Car Co. of Amer.
Amer.-La France & Foamite Corp.
Burroughs Adding Machine Co.
Mergenthaler Linotype Co.
The Hammond Clock Co.
H. K. Ferguson Co.
B. & O. Railroad
N. W. Ayer & Son
Timken Roller Bearing Co.
Consolidated Car Heating, Inc.

Retail Credit Co.
Hershey Chocolate Co.
Allis-Chalmers Mfg. Corp.
St. Louis Car Co.
North Amer. Car Corp.
McCormick Stores Corp.
Cont'l Steel Corp.
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Victor Adding Mach. Co.
The Chicago Daily News
Chase National Bank
Alfred Decker & Cohn
Sheaffer Pen Co.
Lee Tire & Rubber Co.
Wilson Bros.
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Middle West Util. Corp.

Alpha Portland Cement
Amer. Vitified Prod. Co.
Jenkins Bros.
The Horner Co.
The Cleveland Crane & Engineering Co.
Rolls Royce
Andrew Reid & Co.
Newcastle, England
Canada Dry Ginger Ale
Packard Motor Car Co.
Butterick
Amer. Conservation Co.
Challenge Mchry. Co.
Crane Co.
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MEMPHIS
DETROIT
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SEATTLE
LOS ANGELES
ST. LOUIS
DENVER

NEW YORK UNDERWRITERS INSURANCE COMPANY

CAPITAL \$2,000,000

A. & J. H. STODDART, General Agents

100 William Street - - - New York City

**FIRE - AUTOMOBILE - WINDSTORM
BUSINESS INTERRUPTION INDEMNITY**

Western Insurance Bureau Field Clubs Are Meeting

GATHER AT LAKE WAWASEE

Number of Company Executives Assembled to Mingle with the State Agents

By LEVERING CARTWRIGHT

LAKE WAWASEE, IND., June 24.—Members of the seven Western Insurance Bureau field clubs, who are gathered here in regional meeting divided into state groups this morning, some for the election of officers and all for a discussion of affairs in their territories. This afternoon golf is the program to be followed in the evening with a good fellowship dinner at which R. S. Danforth, superintendent of agents Millers National, will be toastmaster. Fred D. Silber, counsel for the W. I. B. is scheduled to deliver the principal address.

Tomorrow morning the clubs will gather in joint session, over which George S. Valentine Jr., Indiana state agent Ohio Farmers and president Indiana Field Club, will preside.

Harding Heads Illinois Body

The Illinois Field Club was the first to report its elections, John T. Harding, Millers National, who is most loyal gander Illinois Blue Goose, is the new president succeeding F. J. Breen, Standard of Trenton. Vice-president is Harry Wood, Dubuque F. & M., secretary, John Lind, Security of Davenport and treasurer, John Hon, Firemens.

Ohio, Indiana, Wisconsin, Michigan, Kentucky and Tennessee are the other states represented. There is a splendid turnout of executives. Headed by President F. H. Hawley, most of the official family of the Ohio Farmers from Leroy is in attendance, including Vice-president D. W. Crane, Assistant Secretaries J. C. Hiestand and D. S. Reynolds, General Counsel Dan McVay and Advertising Director H. V. Chapman.

H. A. Clark, western manager Firemens, and chairman of the Bureau executive committee is here, together with Fred W. Sullivan, assistant manager. Other executives on hand are I. H. Ramaker, assistant secretary Security of Davenport; E. T. Lyons, vice-president and Frank Greer, secretary Monarch, and F. C. Schad, secretary of the Bureau.

John E. Sullivan Returns to His Former Position

John E. Sullivan returns to his old post as insurance commissioner for New Hampshire. He filled that position from 1923 up to last fall when he was appointed bank commissioner of the state. He has had more or less supervision over the insurance department since as no one was appointed as its head. Mr. Sullivan is highly regarded by insurance men all over the country.

U. S. Shipping Board Gives Instruction as to Insurance

WASHINGTON, June 24.—Requiring that the Dollar Steamship Lines, Inc., at once provide protection and indemnity insurance on 17 of its vessels, the premiums on which would run in the neighborhood of \$100,000 a year, the United States Shipping Board this week served notice upon the company that its contracts transferring the vessels from the government to the Dollar Line will be adjudged in default.

The board's ultimatum followed a long controversy between the company

and the Merchant Fleet Corporation, the government ship operating agency, over the question of the insurance now carried on the Dollar vessels, the contract for which requires the "P. & I" insurance to meet the board's approval.

The furor over this insurance results from the Dollar company having provided coverage through a British co-operative or "club" on an assessment basis instead of the fixed premium method employed by other American shipowners.

Action of the government, it is held, will stimulate the American marine insurance business to the extent of at least \$100,000 a year, as well as pave the way for the underwriters to obtain the "P. & I." coverage on other vessels of the Dollar fleet.

Rose Favors Casualty Members

DENVER, June 24.—H. L. Rose, Blue Goose most loyal grand gander asked the Colorado pond to approve the admission of casualty men to the order in an address at the annual dinner here last week. He also asked support of the group insurance feature.

Mr. Rose installed the new officers of the Colorado pond: D. G. Mulligan, most loyal gander; F. E. Brown, supervisor; E. B. Stebbins, custodian; J. E. Greer, guardian; C. E. Cole, keeper, and P. E. Heath, wielder.

F. E. Brown, Mountain State Inspection Bureau, and A. J. Lehwaldt, America Fore, were chosen delegates to the grand nest meeting.

Kansas Insurance Day in Fall

Tentative plans are being formed for the fourth Kansas Insurance Day, to be held probably in October. Frank L. Britton, executive vice-president of the Preferred Risk Fire of Topeka, is president of the Kansas Insurance Day Association having been elected at the meeting in Hutchinson in May, 1930. Clayton Mammel, general agent of the Farmers & Bankers Life of Wichita, is vice-president, and H. O. McIntosh, state agent of the Hanover Fire, is secretary-treasurer. Meetings have heretofore been held in the spring but it is believed that the attendance can be increased by the change in date.

SAM RUFFIN SERIOUSLY ILL AT HIS RALEIGH HOME

RALEIGH, N. C., June 24.—Sam Ruffin, former president of the North Carolina Association of Insurance Agents, and national councillor of that organization for the past year, is seriously ill at his home in this city. About three weeks ago Mr. Ruffin suffered a heart attack and has been confined to his bed since then with angina pectoris. His condition during the past several days has been slowly improving. He was unable to attend the annual meeting the state association in Asheville.

Mr. Ruffin is 41 years of age, and is one of the best known insurance men in the state, having maintained an office at Raleigh for a number of years. In addition to being national councillor during the past year, he was also chairman of the state association executive committee. He was president of the association for two years, from 1928 to 1930, and prior to that time served as secretary-treasurer for several years.

OHIO AGENCY OFFICIALS AT AUTOMOBILE CONVENTION

J. E. Greenwood of Warren, O., president Ohio Association of Insurance Agents, and Secretary W. H. Tomlinson are at Cedar Point this week attending the annual convention of the state automobile club, looking after the interests of insurance owing to the tendency of automobile clubs to take on insurance attachments. While there, these officials will decide on the date of the Ohio agents' meeting to be held at Cedar Point.

Vigorous Action by Virginia Agents

(CONTINUED FROM PAGE 5)

An interesting report was read by Chairman Wilson, the high points of which were that the matter of overhead writing of a \$10,000,000 line on the Newport News Ship Building & Dry Dock Co. has been properly corrected, and that all bank agency violations in the state have been cleared with one exception, which gives promise of satisfactory adjustment.

Important Resolutions

One resolution was that article 4 of the constitution be amended so in event of death or resignation of any officer or committee chairman, his successor should be appointed by the executive committee for the unexpired term. Another resolution offered from the floor provided for efforts to bring about complete separation of local agencies from general agencies. The incoming executive committee was authorized to negotiate with the executive committee of the American Association of Insurance General Agents to this end, the latter body having formulated rules for bona fide general agencies. Another resolution offered from the floor provides for combating mutual competition in line with the recommendation by Chairman Wilson.

A special committee was recommended to tabulate and classify risks lost to mutuals and cooperate with a similar committee of the Virginia Field Club.

Mutuals Are Troublesome

The discussion of mutual competition developed the statement that the Farm Mutual Automobile of Illinois is getting a great deal of business away from stock companies in Virginia, and also that mutuals are interpreting the recent decision of the Virginia corporation commission as sponsoring their type of carrier.

A decision to seek a statewide accident prevention campaign followed a plea for this action by J. J. Hall, National Bureau of Casualty & Surety Underwriters. Discussion also brought out that there has been considerable variation in commissions paid on brokerage business. It was recommended that thought be given to a plan under which local boards could standardize brokerage commission rules.

Capable List of Speakers

On the speaking program were W. B. Calhoun, chairman, executive committee, National Association of Insurance Agents, on "The Value of the National Association to Its Members as a Trade Body," Superintendent C. D. Minor, special service department Liverpool & London & Globe, on "Use and Occupancy," F. P. Stanley, vice-president Glens Falls Indemnity, on "Selling the Casualty Lines," B. P. Carter, general agent Richmond, on "The General Agency System of Fire Insurance," J. J. Hall, National Bureau of Casualty & Surety Underwriters, "Automobile Conservation," and Malcolm Jones, Virginia Field Club, on "The Local Agent and the Field Man."

W. N. McAnge, chamber of commerce, Bristol, extended a welcome, and Gen. A. F. Howell, Confederate veteran and an old time agent, welcomed the locals in behalf of the Bristol Insurance Board, the response being by C. D. West, Newport News.

Officers Give Views

President Kelly gave some suggestions as to profitable future course for the agents in view of the business depression. Secretary-Treasurer Blanton urged a more active membership campaign in view of the large number of delinquents. The membership now is 212.

President Goodwin of the National association sent a telegram which was read, and also J. D. Saint, manager Louisiana Insurance Society.

General Agent Carter told of the history of general agencies and said former defects in the system have been cor-

rected through organization of the American Association of Insurance General Agents. Now he said bona fide general agents are becoming more common and general agencies with local departments are being eliminated. He said general and local agents have a great many interests in common, the general agent being the "wholesale" insurance dealer who depends on the local agent as a retailer and is anxious to see him prosper.

Urges "Fortified Front"

President Jones of the Virginia Field Club urged that all stock company interests maintain a "fortified front." It is essential, he said, that when premiums are down, this should be done for there are a great many temptations at a time like this to take short cuts for business. He was amazed that stock company agents could represent mutuals at the same time and said there is no place in the business for "straddlers." He also emphasized the need for careful underwriting, in view of the bad moral hazard and said local agents can help greatly by using honest judgment in selecting risks.

B. C. Taylor, resident manager United States Fidelity & Guaranty, spoke at the final session on the proposed accident prevention campaign.

Exchange of Greetings

At this meeting a telegram of greeting was received from the Kentucky Association of Insurance Agents, which was meeting on the same date at Louisville, and one was dispatched to that body.

Entertainment included a golf tournament, a visit to Holston Mountain, the annual banquet and luncheon. The group luncheons of the past were abandoned this year and all the agents lunched together.

Retiring President Kelly was presented a handsomely engraved silver dish and Secretary Blanton six silver plates.

Shaw Is Elected Kentuckians' Head

(CONTINUED FROM PAGE 5)

agents or companies. They must share the responsibility, the agent through failure to insist on customers paying promptly and companies in granting loose credit and entering agencies where other companies have withdrawn on account of unsatisfactory payment of balances.

Better credit conditions appear to lie in budget or monthly payment plan of handling premiums. In his opinion agents who have folded up since the depression set in were previously in unsatisfactory condition and would have failed anyway.

Valuable Addresses Given

J. G. Galloway, president of the Kentucky Fire Underwriters Association, spoke on cooperation between field men and agents. S. G. Render, fire department instructor, Kentucky Actuarial Bureau, spoke on "The Agent's Part on Building Up Local Fire-Defense," arguing for local boards, local fire prevention committees cooperation with the National Board, National Fire Protection Association and other agencies.

W. A. Reisert, Louisville, chairman legislative committee, reported that because there was no meeting of the legislature during the year the committee merely worked in an advisory way with officers and the executive committee. Miss Mary Vance, Lexington, reported for the fire prevention committee, showing some progress and need for keeping active.

G. H. Parker, manager Kentucky Actuarial Bureau, invited visiting agents to inspect the bureau, and he commended the association on its work, and particularly in aiding formation of new local boards.

General Agent Speaks

F. G. Snyder, Snyder Brothers general agency, Louisville, a guest, discussed the need for an agent's qualification law and spoke of formation of local boards, such as Ashland and Pa-

NEW HAMPSHIRE FIRE INSURANCE CO. MANCHESTER, N.H.



SIXTY-FIRST ANNUAL STATEMENT January 1, 1931

Assets

United States Bonds.....	\$3,213,000.00
State and Municipal Bonds and Stocks.....	12,104,678.97
Canadian Bonds, Government and Municipal.....	276,930.00
Foreign Bonds	122,100.00
Real Estate	381,500.00
Agents' Balances	821,929.20
Accounts Receivable	202,787.33
Cash in Banks	627,252.47
	<hr/> \$17,750,177.97

Liabilities

Capital Stock	\$3,000,000.00
Unearned Premium Reserve	5,212,038.21
Reserve for Losses	635,810.66
Reserve for Taxes and Other Liabilities.....	371,075.65
Reserve for Dividends Declared and Unpaid.....	150,514.44
Net Surplus	8,380,739.01
	<hr/> \$17,750,177.97

POLICYHOLDERS' SURPLUS \$11,380,739.01

AFFILIATED COMPANY

Granite State Fire Insurance Company
Portsmouth, N. H.

1805

1931

Caledonian Insurance Company

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ROBERT R. CLARK,
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THE NETHERLANDS INSURANCE COMPANY OF THE HAGUE, HOLLAND

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\$1,000,000.00

ducah, recently organized. He said Henderson, Hopkinsville, Owensboro and Bowling Green are considering such programs. He also touched on careless credits.

Judge H. B. Wilson, Irvine, was named chairman of the nominating committee, other members of which were C. J. Smith, Lexington; P. M. Moore, Earlinton; G. R. Reed, Columbia; Galen White, Jackson. W. A. Reiser, Louisville, was named chairman of the resolutions committee, the other members being E. M. Ford, Owensboro; Mrs. N. K. Tunis, Danville; Len Shaw, Mayfield; F. D. Smith, Nicholasville.

X. R. Royster, president Pennyrite Finance Corporation, Henderson, spoke on "Financing Premiums on the Monthly Plan," in which he gave much detail information on the general plan.

National Leader Attends

C. L. Gandy, Birmingham, Ala., member executive committee National association, spoke on the work of the national body. His address is given in part elsewhere. F. E. O'Brien, assistant superintendent of agents Fidelity & Casualty, spoke on casualty insurance.

At the banquet Wednesday night there was but one short talk, by H. S. Ives, special counsel Association of Casualty & Surety Executives, who was introduced by Mr. Gandy.

Three talks occupied the Thursday morning session. The first was by E. S. Woosley, vice-president First National Bank, Louisville, of which the First Kentucky Fire of Louisville, a stock company, is a subsidiary. His talk in part is given elsewhere.

M. H. Grannatt, manager Liverpool & London & Globe, New York, spoke on "Use and Occupancy Lines." He contended that too many agents are merely selling the assured partial insurance. They treat U. & O. and other special coverages as does a man who puts old junk away in the attic for possible later use. He held that special lines of protection are more needed by business than ever before; that sales of special lines are merely a question of soliciting. The cover is neither tricky nor ambiguous, he said; it contains no hidden clauses, and any one who can read can understand it. He told of a Minneapolis agent who in 30 minutes wrote \$2,500,000 of U. & O., on a department store.

E. D. Lawson, western marine manager Fireman's Fund, Chicago, handled a discussion on "Marine Insurance." He discussed the many lines coverable, manuals, prospects for coverage, all-risk policies and the great increase in inland marine over the past decade. He said much of this business can be obtained by the agent for the asking.

The final address was by R. H. Battey, assistant vice-president Lloyd Thomas, Chicago, on "Settling the Loss Before the Fire." He urged competent appraisals on an engineering and fact-finding basis, to establish values. He said appraisals become obsolete in a few years. He discussed the human element in reaching agreement on values and said it is much easier before than after the fire.

The Louisville Board tendered a luncheon for all visitors Thursday. Attendance at the convention exceeded 100. Many company field men and several company officials were present.

Qualification Measures in Illinois Up to Governor

(CONTINUED FROM PAGE 4)

companies, fraternal, benefit societies, district or county farm mutuals, are exempted from the provisions of the agents bill.

Other insurance measures passed by the Illinois assembly included the bill which substantially increases the benefits under the workmen's compensation law. The minimum payable to an employee for an injury resulting in death is increased from \$1,650 to \$2,500 and the maximum from \$3,750 to \$4,000.

The county treasurer's act is amended

New Commissioner Has Taken Office in Iowa

DES MOINES, June 24.—Ray Yenter tendered to Governor Turner this week his resignation as insurance commissioner. E. W. Clark of Mason City took charge of the office Tuesday morning, a week in advance of the regular term to which he had been previously appointed. It is understood that Mr. Yenter assumes the presidency of the Federal Surety at Davenport at once. Mr. Clark announces the appointment of P. H. Cless as chief deputy and L. M. Penquite as assistant.

under another bill and provides that banks which bid for the right to receive public funds for deposit shall deposit collateral with the county treasurer equal to the amount which such bank shall be designated as entitled to receive.

Mutual benefit associations would be brought under the supervision of the department of trade and commerce and any that may become insolvent shall be liquidated by the state insurance liquidation bureau. Another bill permits mutual windstorm, cyclone and tornado companies to write hail.

Burial Society Regulation

Burial insurance societies are brought under the supervision of the department of trade and commerce, and are required to file annual reports with the department.

Lloyds organizations would be compelled to complete organization within two years and the maximum amount of insurance to be assumed by any individual underwriter upon any single risk shall not be greater than 10 percent of each underwriter's deposit instead of 10 percent of the net worth of the individual.

The act prohibiting misrepresentation of life insurance companies would apply to all insurance companies.

Another bill prohibits the investing of capital or surplus of insurance companies in the stock of industrials, other than preferred or guaranteed stock in such companies which have earned through each of the five previous years the sum applicable to a dividend equal to at least 4 percent on all of its capital stock or upon the value at which such stock was issued, provided however, that no life insurance company shall invest in more than 10 percent of the total stock or 5 percent of its assets of such stock of any one certain manufacturing corporation.

Fire Marshal Tax

Another bill makes the fire marshal tax come due in March instead of February.

Fire insurance companies, under another amendment, will be permitted to insure against smoke and smudge damage caused by oil burners.

Another bill provides that the authorized surplus of a joint stock fire company shall be paid in cash before authority to operate is given; limits investment in preferred industrial stock to 10 percent of the issue, and limits the amount of reserve on foreign business and the investment of securities of such foreign companies to 75 percent; it requires foreign companies to make their annual reports in March instead of September.

The casualty act is amended to permit such a company to do three lines of business with a capital stock of \$200,000 instead of requiring such amount for each line of business. This bill was introduced, it is understood, at the instance of the New Century Casualty so that it might write automobile insurance. Its writings are now confined to burglary and plate glass.

Another bill increases the minimum requirements for new mutual insurance corporations.

New England Men at Poland Spring

(CONTINUED FROM PAGE 3)

get correction of abuses, to cease to patronize them.

"If each of you as individual agents," he said, "confine your premium writings to those companies which you know from conversation and correspondence with home office and field representatives adhere strictly and specifically to the principles to which you subscribe, would not your officers be able to get further in their dealings with the companies as a whole? Would it be necessary to talk about qualification laws if each of you took up with your own companies their appointment of agents for subsidiaries in your towns whom you believe unqualified, and if that company could not prove to your satisfaction the other agent representing one of their fleets was a fit and proper competitor, give the company the option of doing business with you or him, but not both?"

Convention Costs Increase

W. S. Shaw of Brockton, Mass., reported for the treasury showed the increasing costs of holding conventions with large attendances. J. L. Case urged that a message be sent to former National Treasurer C. F. Wilson, who has been ill at his home in Fitchburg, Mass., but is reported better.

G. E. Turner, president First Reinsurance, Hartford, opened the speaking program with a talk on "Insurance Service; the Companies Provide It." He made what might easily have been a dull topic an interesting one. He said the public should have a better understanding of what insurance provides and enthusiasm on the part of the seller is needed. When the public buys what it does not understand or appreciate, he said, the price is always too high.

G. D. Markham, St. Louis, former president National association, now insurance director U. S. Chamber of Commerce, motored from his summer home in Dublin, N. H., to talk of insurance service which the public requires. Not what it wants, but what it needs is the vital thing, he said. The agent should discharge his full duty as a man in charge of the insurance features of his community's safety and progress and his value to the community is in proportion as he is actuated by zeal for sheer excellence rather than for money.

He praised the association as the fountain of inspiration for agents. He said his election as director of the national chamber was not a personal tribute but a demonstration of the influence and standing of agents in their local chambers.

Case Conducts Discussion

J. L. Case, Norwich, Conn., conducted a discussion period which brought out spirited comment on overhead writing. R. D. Hinkley, Boston manager American of Newark, declared the solution is in the hands of the agents and if they would not countersign policies for outside interests there would be no overhead writing.

James Madden of Brockton said the companies are not being fair with agents and referred to the general practice of overhead writing of church properties. A. L. Orne of Rockland, Me., told how his local board demanded reports from all local agents which permitted a checkup on the practice.

R. K. Noble, Northampton, Mass., president Massachusetts association, blamed lack of cooperation on the part of agents for the practice. C. W. Varney and F. R. Smith of Haverhill, Mass., with C. F. Newcomb of Providence joined in the discussion, the latter asking for more explicit information about the general cover proposition.

H. P. Dunham, Connecticut commissioner, closed the morning session with "Observations on Insurance Service." He believes more commissioners should attend agents' meetings to get atmosphere and try to help agents. He condemned the growing practice of rate

Presides Over the New England Meeting



CHARLES W. VARNEY
Rochester, N. H.

C. W. Varney, chairman of the New England advisory board, prominent in agency circles in his section and a familiar figure at conventions of the National Association of Insurance Agents, presided this week over the annual gathering of New England agents at Poland Springs.

cutting and was roundly applauded when he declared it must be stopped. On the other hand he impressed on the agents that they should know thoroughly the fundamentals of business and get out and work.

Tuesday night President Martin of Maine Senate welcomed the agents and he was followed by Commissioner W. D. Spencer of Maine, National President Goodwin and D. A. Adams, past international Rotary president. Rev. J. N. Mark of Arlington, Mass., gave a humorous address.

Goodwin Brings Message

H. L. Brownell, Watertown, N. Y., vice-president New York state association, was the opening speaker Wednesday morning and he discussed insurance service from the angle of keeping it up to date. He was followed by National President Goodwin, who had traveled 7,000 miles to attend the convention, it was stated, and was making his first appearance in New England. He was given an ovation and roused the convention to enthusiasm in his spirited talk on branch offices and kindred topics.

An angle of insurance service which had been overlooked on the formal program came spontaneously from Roger Wight, Travelers, who said he felt impelled to give expression to the appreciation of companies for the fine service which always has been rendered them in so many ways by agents.

Congressman J. E. Nelson of Maine was scheduled to give the concluding address of the second and last business session of the convention.

Wednesday afternoon was given over to the final golf matches and in the evening there was an entertainment and dance.

National President Goodwin in a short talk at the banquet Tuesday evening urged the New Englanders to attend the Los Angeles national convention. He said it would probably be the last one held in the west, as it is the intention of the organization to select a centrally located city for the permanent headquarters of the National association and the place of all future national conventions.

At the conclusion of his talk Edwin J. Cole of Fall River, in behalf of the New England agents, presented President Goodwin a handsome linen table set.

George Washington and the Sculptor's Insurance

THE dedication of Houdon's statue of Washington by the historian of the Bicentennial Commission at Richmond, May 14, reminds us that the institution of Life Insurance was touched by romance when George Washington sat to the great Houdon, the sculptor who executed his statue in 1785.

Though a great artist, Houdon was far from being an impractical idealist. When offered the commission to come to America and make a bust of General George Washington, he hesitated to accept. Travel was hazardous in those days and Houdon feared leaving his loved ones unprovided for in the event of his death while executing his commission.

Accordingly he agreed to accept the commission on one condition—that the State of Virginia, for whom the statue was to be made, insure his life for the benefit of his dependents.

There was no life insurance available in America at that time and there were many difficulties and delays in getting the risk underwritten. But the contract finally went into effect on the 12th of October, 1785, for six months—long enough for Houdon to model the bust and return to France, where he completed the only original life sized figure of Washington in existence, for the State Capitol in Virginia.



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THE NATIONAL UNDERWRITER

Formerly THE WESTERN UNDERWRITER

Published every Thursday by THE NATIONAL UNDERWRITER COMPANY, Chicago, Cincinnati, and New York. EDWARD J. WOHLGEMUTH, President; JOHN F. WOHLGEMUTH, Secretary; HOWARD J. BURRIDGE, Vice President and General Manager;

NORA VINCENT PAUL, Vice-President; WILLIAM A. SCANLON, GEORGE C. ROEDING and O. E. SCHWARTZ, Associate Managers

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139 Summer St., Weymouth, Mass., Tel. Weymouth 2158-R. J. M. DEMPSEY, Resident Manager
Entered as Second-class Matter April 28, 1928, at Post Office at Chicago, Ill., Under Act, March 3, 1879

Subscription Price \$4.00 a year; in Canada, \$5.00 a year. Single Copies 20 cents.
In Combination with Life Insurance Edition, \$5.50 a year; Canada \$7.50



The Compensation Emergency

THE casualty interests, stock and mutual, are preparing to ask for an increase in compensation rates in most of the states. The critical situation, which calls for a horizontal increase, was well described by casualty bureau and company representatives to the NATIONAL CONVENTION OF INSURANCE COMMISSIONERS. For a few years after the war, losses in compensation underwriting were shouldered philosophically by the companies on the theory that they were returning fat compensation profits made during the war. For the last several years, however, losses in compensation writing have called upon the muscle and bone of the companies. Conditions in this major casualty line are described as threatening the solvency of the companies.

The commissioners assumed a sympathetic attitude by officially recognizing that an emergency exists in compensation writing. That expression of sympathy is worth nothing at the bank, but it should provide a more friendly atmosphere for the casualty interests when they seek higher rates in the individual states. The attitude of the

commissioners, collectively, is appreciated.

It is interesting that requests for compensation rate increase should come at about the same time as the requests for freight rate increases. Railroads and compensation carriers are highly regulated enterprises. The services that they must render are laid down by government under public pressure. Their charges are regulated by the public, and the natural tendency of the public is to require more and pay less. Insurance commissioners have a responsibility to their constituents, the workers and home industries. The narrow view of that responsibility would prompt the insurance departments to oppose rate increases and make political capital out of it, but the broad view would prompt them to authorize a fair tariff and justify that increase to their people. It is up to the companies to put their houses strictly in order as to commissions and other cost, so that they can honestly ask for higher rates so that the state officials will not be stultifying themselves in approving the higher schedules requested.

Insurance Made the Target

IN THE constant search of states and municipalities to discover additional sources of revenue with which to meet ever growing public expenditures, the institution of insurance with its vast aggregation of accumulated funds, offers a shining mark. Company officials are constantly on the alert to ward off attacks in such direction; with though be it said, indifferent success. There are before the Alabama legislature at the present time three measures, all proposing an increase in the taxation of insurance premiums. One of the bills would sanction municipalities with populations

ranging from 68,000 to 200,000 each, to levy a tax up to 6 percent, upon the net premiums collected within their respective centers. Birmingham now imposes a 4 percent tax of this character.

Every once in a while confidence in human nature is rudely shocked. Yet just because a digression or a departure from the straight and narrow path leaves as it does a jolt it shows that it is an exception. Most people in business want to do right. They can be trusted. We do not want to lose faith in the better class of mankind.

PERSONAL SIDE OF BUSINESS

Edward Eager, wielder of the West Virginia Blue Goose, is soliciting the support of the various ponds for Louis A. Johnson of Charleston, W. Va., who is a candidate for commander of the American Legion at the election to be held during the annual convention of that body in Detroit, Sept. 21-24. Mr. Johnson is a member of the law firm of Steptoe & Johnson, which represents a number of fire insurance companies, the National Board and the West Virginia Uniformity Association.

It is Doctor Lane now, the degree doctor of laws having been conferred on O. E. Lane, president of the Fire Association group, at the recent commencement exercises of Miami University, Oxford, O., from which institution Mr. Lane was graduated some years ago. He is a native of Franklin, Warren county, O.

It is announced that Fourth Vice-President J. V. Barry of the Metropolitan Life will retire from active service at the end of the year, as at that time he will have reached the retirement age set by the company. Mr. Barry is one of the best known insurance people in the country, not only in the life field but in all classes of underwriting. He served as Michigan insurance commissioner for full five terms. He had been a newspaper man and was a member of an insurance agency at Lansing. He served as president of the National Convention of Insurance Commissioners in 1906. Mr. Barry was born in Monroe, Mich., and in his numerous talks he weaves many a story about his native heath. Mr. Barry as toastmaster and speaker has a nation-wide reputation in insurance.

His work with the Metropolitan Life has been that of contact man with the insurance departments, legislatures, insurance organizations of all kinds. In other words, he has dealt largely with the public relations side of insurance.

D. P. Malone, assistant secretary North America, attended the convention of the Virginia Association of Insurance Agents at Bristol and stopped over in Richmond to renew old acquaintances on his way back to Philadelphia. He formerly supervised Virginia for the North America at Richmond.

R. G. Vincent, America Fore Iowa state agent, has a new son, John T. Vincent born June 21. He has another son 11 years old.

J. D. Lecky, Jr., Virginia special agent for the Provident Fire and State Assurance, was married June 20 to Miss Elizabeth Call of Richmond. Mr. Lecky is a nephew of Robert Lecky, Jr., well known Richmond local agent.

M. K. Burch, pioneer Baltimore insurance man and head of M. K. Burch & Co., insurance agency, died suddenly last week. He was 84 years old.

Mr. Burch was secretary of the old Baltimore Fire from 1877 until its dissolution in 1904, and then started an insurance agency of his own, of which he was the senior member at the time of his death. T. R. Herring, a brother-in-law, who was associated with him in the Baltimore Fire and became connected with Mr. Burch at the start of the agency, will continue the business.

Franklin W. Fort, well known Newark, N. J., insurance man, president of the Eagle Fire, Sussex and Essex of Newark, and head of a reinsurance syndicate in his city, has been on a trip to the Pacific Coast and this week was visiting Chicago and other midwestern cities in the interest of his fleet. Mr. Fort is out of politics, his congressional term having ended. His most recent feat was entering the Republican primaries for United States senator in New

Jersey against Dwight W. Morrow. Mr. Fort is one of the celebrated alumni of Princeton and last week was back to attend his 30th reunion. His father and uncle served as governors of New Jersey.

Mr. Fort gave an address in St. Louis before a big national business organization. He is now erecting an office building in Newark to house his fleet.

Leonard C. Berry, insurance attorney with Scofield, Bell & Berry of Macomb, Ill., was in Chicago recently renewing old acquaintances in insurance circles. Mr. Berry was formerly associated with the Springfield Fire & Marine and later with the Federal Life. He now does a general insurance practice in central western Illinois.

T. L. H. Saunderson, 50, president of T. L. H. Saunderson & Sons, insurance brokers, Montreal, died last week. Before establishing his own firm, the late Mr. Saunderson served with the Imperial, Atlas and London & Lancashire. Two sons are members of the firm.

D. V. Blackburn, vice-president of the Richardt Insurance Agency, Evansville, Ind., was married Saturday to Miss Maryland Hartloff.

Thomas E. Gallagher, Union League Club, Chicago, chairman of the board of the Cook County Association of Conglomerated & Concatenated Grandfathers, convened a special session of the organization this week, following the arrival of his fourth great-grandchild at Oxford, Eng., the son of Prof. Charles Morris, who is in the university there. The father was formerly an instructor at the University of North Carolina. The mother of Charles Morris and the new grandmother is Mrs. John Morris, wife of the professor of Germanic languages at the University of Georgia at Athens. She is the daughter of the famous chairman of the board. The other three great-grandchildren are the grandchildren of W. A. Earls of Cincinnati, well known local agent, whose wife is the oldest daughter of Mr. Gallagher. Mr. Gallagher has been decorated by the "Order of Noble Great Grandfathers" with international headquarters at London.

Berry Wilson, 25-year old partner in E. M. Ford & Co., local agents of Owensboro, Ky., was crowned the amateur golf champion of Kentucky June 20, when after a week of grueling play he came through the finals in a sensational finish.

H. H. Friedley, well known adjuster at Indianapolis, and his wife celebrated their 50th wedding anniversary at their home on Monday. Mr. Friedley was, for many years, Indiana state agent of the North America. Some years ago he opened an office as independent adjuster. He was, for one year, president of the Fire Underwriters Association of the Northwest, and was always active in field association work in Indiana. Formal invitations were not issued but many of their friends greeted Mr. and Mrs. Friedley on Monday afternoon and evening.

L. H. Baker of Lansing, Mich., secretary of the Michigan Millers Mutual, has joined the grandfathers' class. L. H., Jr., is the grandson.

George H. Olmsted, vice-president and manager of Olmsted, Inc., Des Moines general agency, and son of Col. E. S. Olmsted, head of the firm, was elected president of the Junior Chamber of Commerce of the United States at the national convention held in Des Moines. He was vice-president last year and has been active in the organization for several years.



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FIRE INSURANCE NEWS BY STATES

OHIO AND WEST VIRGINIA

Echoes from State Meeting

West Virginia Association of Insurance Agents Adopts Plan of Having Report of Administration

The West Virginia Association of Insurance Agents followed the suggestion of the National organization at its annual meeting that reports of all officers might be given in a single administration report. This proved to be an excellent convention plan. In the first place it is difficult to separate achievements or occurrences of the year specifically for the president's report, the secretary's report and the report of the chairman of the executive committee. Consequently much repetition is avoided. Second, the time of the convention is saved while those who listen really obtain a clearer picture of the year reported upon than when they listen to three reports on the same subject.

W. B. Calhoun, Milwaukee, chairman of the executive committee of the National association, completed an 11-day tour in the interest of his organization at Huntington. Mr. Calhoun came up to Huntington from Bristol, Va., and had the distinction of being the man for whom the entire convention arrangement was changed so that he might be present. It had been originally planned to hold the meeting at Elkins but when it was discovered that Mr. Calhoun could not be present if the meeting were held there, Huntington was made the place.

W. F. Alexander, Charles Town, retiring president, explained the youthful looking Alexander picture which appeared in the Huntington paper by stating that they were still using the picture that had appeared in the Huntington paper when he was nominated for state auditor by the Democrats about 19 years ago. Harry Sanders of Morgantown says that Mr. Alexander ran 20 years too soon.

Fred L. Summers, Parkersburg, was constantly the center of an interested group, as he showed a letter written by the secretary of a farmers' mutual dated this month, stating that payment for loss in February in his company would be taken care of some time in the future. The secretary said he was not sure just when the loss could be taken care of since there were several other unpaid losses ahead of the one being discussed, that the company's \$8,000 of funds was tied up in a bank failure and that an assessment would be made to take care of losses now unpaid.

Ohio Agency Changes

Recent changes in Ohio agencies are as follows: Berlin Heights—F. E. Connor has retired from the Berlin Heights Insurance Agency and F. F. Kinman has taken in G. R. Stevenson. Dayton—Senator Paul Yoder has retired from the Yoder & Cooper Insurance Agency, and Mr. Rabe has taken his place. The agency will be known as the Rabe-Cooper Agency. Hicksville—The Aikin & Richards Agency has been sold to C. L. Hilbert. Lima—The P. A. Kahle agency has been incorporated. Salem—M. L. Young, senior partner in the Young-Brian Insurance agency, has died but the agency will be continued under that name. Tiffin—F. H. Sosman has retired from the Sacksteder & Sosman agency, which will now be known as the W. H. Sacksteder Agency.

Getting Insurable Values

R. E. Richman Says Competent Agents Should Make Survey of Property Owners' Needs

No one kind of insurance of itself is more important than any other kind of insurance, said R. E. Richman of THE NATIONAL UNDERWRITER in his talk before the West Virginia Association of Insurance Agents. All insurance is written to indemnify for the loss of a value, now possessed or to be possessed by the assured and whether that value is in the form of personal earning power, houses, barns, boats, silverware, or any other property form, insurance against possible loss of these values stands on the same plane of importance as insurance protection. For this reason alone, each assured should have a competent insurance man make a survey of his insurance values each year in order to determine what lines of insurance to carry.

Cover Serious Losses

Habit and probability of loss have been the governing factors in determining lines of insurance to be carried for many assured. This standard of selection, said the speaker, may not at all result in giving the customer the kinds of insurance which he really needs. The kinds of insurance to be used should be selected on the basis of protecting the assured against those losses which would be serious for him if they occur. This principle, together with definite solicitation methods for using it, is fully described in copyrighted pages of the "Fire, Casualty and Surety Bulletins," issued by THE NATIONAL UNDERWRITER.

Interest in Ohio State Auto Association Meeting

The Ohio State Automobile Association will hold its annual meeting at Cedar Point June 26-27. It is expected that a large number of insurance men will attend, either as members or guests, in anticipation that something might come up on the floor in regard to the writing of automobile insurance. From information obtained from several sources, however, it is understood that nothing will be done about the writing of insurance if the leaders in the organization have their way.

Superintendent Warner has not yet rendered his findings on the application of the Cincinnati Automobile Club Insurance Exchange for a license to sell insurance through the Motorists' Mutual. It is expected, however, that a ruling will be handed down before the week is out. In some quarters it has

been held that no ruling could be expected until after the legislature adjourns, but adjournment is looked for before the week ends.

Pay Back Occupational Tax

Since the Ohio supreme court denied the petition for a rehearing in the occupational tax case, agents in Cincinnati have been arranging to pay the back occupational tax due the city. The supreme court decided that the agents could not escape this tax on the ground that they had already paid one license to the state to do business and that the occupational tax was therefore double taxation. The penalties under the city ordinance would have amounted to more than the back taxes but the city administration accepted a \$1 flat penalty instead of insisting upon the payment of the full penalty.

Incendiary Fires at Hamilton

Incendiary fires have been occurring frequently this year in Hamilton. Particularly, observers of losses in Hamilton, declare that companies should exercise unusual care in covering risks located in those sections of the city known as Warwickshire, Armondale, Peck's Addition, Gobler's Knob, and Sunset Hill. Incendiary fires in Hamilton have been due both to plans for defrauding insurance companies and to vengeance against enemies.

Fire Preventionists Meet July 6

The Ohio Fire Prevention Association, of which Martin Vold, Jr., is president, will hold its annual meeting in Columbus July 6. The two field clubs will meet the following day.

New Cleveland Agency

Leo Stich, 417 Citizens building, Cleveland, has organized an insurance agency to be operated under the name of the Stick Insurance Agency. He represents the American Casualty and Home Fire & Marine.

Ohio Notes

The Horace M. Horton agency in Pomeroy, O., has been sold to Robert Warner. Fred J. Hibbs, local agent at Bridgeport, O., is now acting as deputy auditor of Belmont county.

The Adams Insurance Service, Cleveland, has moved from the Finance building to 1030 Leader building.

B. R. Hedges has joined the insurance department of William P. Zinn & Co., realtors, at Columbus.

John L. Pettibone of Cleveland has incorporated his agency, which will henceforth be known as John L. Pettibone, Inc. Offices are in the Terminal Tower.

R. F. Baldwin has become manager of the B. C. Coleman Agency, Dayton, O. Mr. Baldwin has been with the agency for the past 18 months and before going to Dayton two years ago was in the insurance business in Cleveland and Van Wert, O.

CENTRAL WESTERN STATES

Mutual Restricts Territory

Rock Farmers to Write in Upper Michigan Only—Reinsures Lower Peninsula Risks

The Rock Farmers Mutual Fire of Rock, Mich., has reinsured its risks in the Lower Peninsula in another mutual the lower peninsula in another mutual on farm property in upper Michigan only. The Rock Farmers Mutual was organized in 1915 and began writing business in the three counties of Alger,

Delta and Marquette in 1915. In 1922 it was organized to write insurance all over the state. It began to write business on the assessment plan but two years ago began to write on the advance premium plan also. At the end of 1930 its total insurance in force was \$4,179,967, of which amount \$571,565 was in the advance premium class.

Reciprocal Deal Invalid

Attorney General Carlstrom of Illinois has held that the funds deposited with the state by an Illinois reciprocal may not be released merely by the reciprocal

filing a reinsurance agreement showing the business of the reciprocal as being reinsured by three out of state insurers. Mr. Carlstrom declared there was nothing in the reinsurance agreement to show which of the reinsuring companies assumed the liability of the reciprocal on its policies issued. There must be an investigation to determine whether all the rights of the subscribers of the reinsured association have been taken care of.

The Illinois statutes, according to Mr. Carlstrom, do not permit reinsurance of a reciprocal by any other type of insurer. The reinsuring companies in this case are not reciprocals.

Wolford Agency Honored

W. M. Frink of New York City, western general agent of the Norwich Union Fire, accompanied by Illinois State Agent A. T. Ahlin, visited Danville, Ill., to present a 50 years' medal to the Wolford agency. M. J. Wolford of this office was commissioned agent of the Norwich Union July 31, 1879.

Indiana Notes

C. F. Thomas, secretary of the Western Underwriters Association, was in Indianapolis Monday.

E. C. French, vice-president of the American Fire & Marine of Galveston, visited the G. L. Ramey Agency in Indianapolis.

W. S. Ramey, son of George L. Ramey, a sophomore of Wabash University, is putting in his vacation in the Ramey agency, taking his initiation into the business.

M. R. Guthrie, who had conducted a local agency and an abstracting office in Bedford, Ind., since 1906, died last week. He was well known throughout the state.

News of States in the Northwest

Qualification Bill Is Killed

Measure Pushed by Wisconsin Agents Defeated in Senate—May Adjourn Saturday

MADISON, WIS., June 24.—The agents qualification measure in the Wisconsin legislature, sponsored by the Wisconsin Association of Insurance Agents, was killed in the senate. Reconsideration of the measure was refused.

A joint resolution providing for sine die adjournment at midnight June 27 has passed both houses of the legislature but there is some question as to whether or not the large amount of work facing the houses can be disposed of at that time. If it can not, the legislature may resort to the expedient of stopping the official clock at five minutes of midnight and continuing with its work until finished.

S. E. Bickard Advanced to Dakota Most Loyal Gander

S. E. Bickard, New York Underwriters, was advanced to most loyal gander of the Dakota Blue Goose at the annual meeting in Watertown, S. D. W. I. Rowe, North British & Mercantile, is the new supervisor; R. L. Slater, Commercial Union, custodian; Burt Burton, Home, guardian; D. D. Brown, Fire Association, keeper, and H. C. Runyan, Commercial Union, welder.

Delegates to the grand next meeting in Milwaukee are Joseph McCann, Great

(CONTINUED ON PAGE 22)

LOYALTY GROUP

TRUE OPTIMISM

True Optimism is Faith; Faith in Humanity; Faith in the Nation; Faith in its Institutions; Faith in Yourself; Faith in the Present; and Faith in the Future.

False Optimism is Hope based on Desire.

Pessimism is compounded of lack of Faith in all that True Optimism is founded upon, and is acknowledgment of unbelief in self, too often coupled with the wish to profit through the misfortunes of others.

History, that Just Judge of Humanity, reads the record and inexorably records the verdict.

The Verdict is, always has been, and always will be that True Optimism is justified and its results proven; that False Optimism cannot last because of its unsound foundation; and that Pessimism cannot prevail, but must ever fail because of its inherent untruth and viciousness.

History records that the world progressed, and was in every way better and more prosperous in the year 100 than in the year 1 A. D. History records that the world progressed, and was in every way better and more prosperous in the year 1000 than in the year 100 A. D. History records that the world progressed, and was in every way better and more prosperous in the year 1900 than in the year 1000 A. D., and History will continue to record the progress of the world, and this record will show the year 2000 in every way better and more prosperous than the year 1900 A. D. It is reasonable to believe, and it is wise to believe, and most people do believe that the year 1931 will be in every way better and more prosperous than the year 1930. Voice, therefore, your belief by word and act and aid it to come true in fullest measure.

Almost two thousand years ago a wise teacher and leader of men said

"Now Faith is the substance of things hoped for, the evidence of things not seen".

Today Faith is as then. Today, as then, True Optimism is Faith. Thinking men must be and are True Optimists. That individuals have suffered misfortunes in the past and many have succumbed, and that individuals will suffer misfortunes in the future and more will succumb, cannot be denied, but such misfortunes, however hard for the individuals, are after all individual misfortunes and will not, in fact cannot stay the world march of progress and prosperity.

Do not be ashamed of your True Optimism, and do not be afraid to express it because you fear some pessimist may ridicule it and tell you that some day he will say "I told you so". Have courage and make known your True Optimism by voice and deed; make known your Faith in Humanity; make known your Faith in your Nation; make known your Faith in the Future; make known your Faith in Yourself; and make known your Faith that the tide has turned and that Prosperity has its hand stretched to knock at the door, and will surely enter if we but heed it, instead of harkening to cowardly fear.

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LOYAL TO PRINCIPLE—TO LOYAL AGENTS, LOYAL

H. H. Keim Is West Virginia President

Uniformity Issue Is Leading Topic

Agents Resent Legislative Activity of Companies in Matter

FARM MUTUALS DISCUSSED

Use of County Agricultural Agents in Soliciting Insurance Is Condemned by Agents

Although conventions generally are suffering in attendance this year, the West Virginia Association of Insurance Agents had a registration of 80 at its convention in Huntington.

The feeling between companies and local agents is not so tense as it was when the convention was held last year though the belief of the agents that the companies or company organizations helped to defeat their agency qualification bill and also tried to put through the legislature a measure which agents believed to be very harmful to their interests, serves somewhat to revive the feeling which had been rapidly disappearing. Attempts of the companies to force state wide acceptance of the uniformity contract has undoubtedly left its scars on the company-agency relations in the state. Seemingly it will take a long time to bring about a genuinely cordial relationship between the carriers and their agents.

The uniformity situation now is that companies are dealing with agencies on an individual basis and probably no further litigation is to be expected unless the companies should become extremely active on a wholesale basis. When the court of appeals refused to make permanent an injunction which would have restrained Auditor Lawson from acting against the companies to prevent enforcement of the uniformity contract, the way was left open for him to proceed legally any time he desires to do so.

Farm Mutual Question Is Topic of Discussion

A leading topic of discussion in the convention and in the lobbies was the activity of the farm mutuals, particularly those operating on a state wide basis. One of these mutuals, operating under a name indicating that it writes farm business only, is soliciting and accepting risks in towns and cities. Agents reported that this mutual was accepting bootleggers and other risks which had been turned down in their own offices. Agents were unusually emphatic in their statements that mutuals which are known to be impaired and to have unpaid losses dating back six months and more should not be permitted by the department to solicit new business. While the agents were willing to accept the viewpoint that forcing these companies into receivership might only aggravate their financial difficulties and the difficulties of obtaining any early settlement of claims pending against them, they did believe that such mutuals should be prohibited from approaching prospects as sound financial institutions.

The State Farm Mutual Automobile of Bloomington, Ill., was specifically mentioned as employing county agricultural agents for representatives. It is the contention of the insurance agents

(CONTINUED ON PAGE 42)

Thornburg Has Practical Fire Prevention Advice

The question of fire prevention, which is often put on convention programs as a routine matter, was made interesting at the West Virginia meeting by the address of C. I. Thornburg of Huntington, sprinkler expert and former member of the Thornburg agency.

It is the duty of agents, with their particular knowledge of fire prevention, to devote the greatest energy toward the elimination of fire waste, which includes human life and the depletion of resources, Mr. Thornburg declared. Most fire prevention work on the part of the agent is done for the purpose of retaining premiums, according to Mr. Thornburg. He is performing a service to his company in preventing unusual hazards and to the insured in pointing out hazards which are holding his rates higher than similar risks bear.

Why Mutuals Succeed

"It is my opinion," the speaker declared, "that the continued success of mutuals and reciprocals is due chiefly to their selection of risks and their fire prevention requirements, thereby holding their losses to the unescapable minimum. Just as soon as these are overlooked by this class of companies they will be unable to compete with stock companies. One of the best ways for the stock agent to meet this competition is to go in for more fire prevention, instead of waiting until the other class of companies go to their assureds and point out the reason for his high rate, how he can reduce them, thereby reduce the possibility of fire and all of the re-

sulting losses, insured and uninsured."

Mr. Thornburg dwelt at some length on fire extinguishing equipment. Few agents, he said, go farther than recommending hand fire extinguishers. He gave an example of agents who have given greater service than that. One agent persuaded a client to install a complete private water system at a cost of more than \$50,000. Another agent persuaded his city government to equip a combustible hospital with automatic sprinklers. Others have inspected school buildings and pointed out the fire hazards with the result that many of them have been eliminated.

Standard Devices Important

The agent should be careful to recommend only devices which meet the requirements of the work it is to perform and of standards. They must be approved by the Underwriters Laboratories. They should be suitable to the property for which they are intended.

Automatic sprinklers, being a system consisting of water pipes equipped at regular intervals with automatic valves to spray water when the temperature of the surrounding air reaches a predetermined point, are the most satisfactory devices, he said. This equipment reduces fire losses to a minimum and prevents the loss of human life. Companies allow buildings so equipped rates from 60 to 90 percent lower than on buildings not protected. The large premium savings, he declared, will often entirely pay the cost of equipment over a period of a few years.

New President Is Son of Former President



H. H. KEIM

H. H. Keim, newly elected president of the West Virginia Association of Insurance Agents is a member of the agency of Keim & Keim in Elkins. He is a son of N. G. Keim, who was president of the association about 25 years ago, and a nephew of W. H. Keim, present deputy fire marshal for the district in which Elkins is located.

Mr. Keim has been active in agency association work both locally and in the state. Two years ago he was chairman of the executive committee and four years ago district vice-president. He has also served as president and secretary of the Elkins Board of Fire Underwriters.

The Keim & Keim agency is the oldest agency in Randolph county. It was established in 1893. In 1901 the agency

Demonstrations Are Given of New Sprinkler Devices

Both the C. I. Thornburg Company and C. W. Hutchinson had exhibits of automatic sprinkler devices at West Virginia Association meeting. On Thursday afternoon, the convention was a guest of Mr. Hutchinson at the central fire station where he demonstrated the operation of the Tyden rate of rise and fixed temperature heat actuated release. Mr. Hutchinson explained that this device had all of the advantages of both the rate of rise and fixed temperature releases. It will operate sprinklers or other devices not only when there is a temperature rise at a certain rate but the same device will operate at a fixed temperature. The Tyden release is used with other devices to convert standard dry pipe valve systems into pre-action automatic sprinkler systems and also for operating control valves on Viking equipment.

Past Presidents in Rally

Ex-presidents of the West Virginia association were guests of honor at a complimentary dinner given by the Huntington local board to officers of the West Virginia association. Ex-presidents who spoke briefly were C. W. Thornburg, A. W. Werninger, Coleman Staats and C. I. Thornburg, all of Huntington; Charles Evans, Fairmont; Frank R. Bell, Charleston; Raymond A. Foote, Wheeling; Jennings Kincaid, Montgomery. E. S. Reeser, president of the Huntington local board, who acted as toastmaster, also called upon Capt. W. E. White of the insurance department and Harold McKenna, special agent of the Employers Liability.

was made a partnership on its present basis.

Lawson's Warning Reported at Meet

Deputy Commissioner White Says Companies Must Behave, or Charge Lowest Rate

SESSIONS WELL ATTENDED

W. F. Alexander, Retiring President, Makes Recommendations—Calhoun Reports for National Association

NEW OFFICERS ELECTED

President—H. H. Keim, Elkins.
Secretary-Treasurer—Harlan Justice, Huntington.
National Council—F. R. Bell, Charleston.
Chairman executive committee—R. M. Henry, Fairmont.

By RALPH E. RICHMAN

E. S. Reeser, president of the Huntington local board, acted as master of the welcoming ceremonies when the annual meeting of the West Virginia Association of Insurance Agents opened in that city. Representatives of the mayor and the Chamber of Commerce also welcomed the agents to Huntington and the response for the agents was made by Frank R. Bell, Charleston, in the absence of R. P. DeVan who was scheduled to perform this duty.

W. F. Alexander followed with a report for the executive officers of the association. During the year the association, Mr. Alexander said, was able to announce that no members were representing mutuals. Another activity of the organization resulted in 61 mutual companies complying with the law by filing proper rate schedules. It was discovered that these companies had been doing business in the state without complying with the rate filing law. President Alexander reported that he had spoken at the meeting of the state council of the Episcopal Church held at Parkersburg on the activities of the Church Properties Insurance Corporation and had been assured by many of the delegates present that they did not favor the entry of the church into the insurance business.

Legislative Report on Qualification Bill

In the legislative and legal fields, the annual report reviewed the unsuccessful efforts which had been made to obtain passage of an agents' qualification bill and emphasized defeat of the so called automatic sprinkler bill which was in effect a plan to legalize insurance and other contracts between non-resident brokers and property owners of West Virginia. This bill had passed the house but was defeated in the senate. The purpose behind the bill seems to have been to give outside brokers the opportunity to make a larger return on installation of automatic sprinklers in combination with carrying the insurance. The plan would have proved very expensive to property owners since they could purchase their own equipments through ordinary automatic sprinkler channels at much less cost.

The officers' report, read to the convention, declared the belief of the officers that this legislative proposal "was a pet scheme of certain New York brokers and finance companies, and we were told frankly by the sponsors that the Na-

tional Board had given instructions to its lobbyists to exert every effort in getting the bill passed."

Recommendations of President Alexander were (1) that committees of insurance agents protest against the practice of county agricultural agents acting as agents of insurance companies; (2) that a special finance committee be appointed; (3) that definite plans and arrangements be made without delay for the legislative session of 1933; (4) that a local board be organized in Clarksburg; (5) that an aggressive membership effort be made in West Virginia; (6) that thanks of the association be extended to Commissioner Lawson for his successful work in the uniformity case; (7) that a protest be made against the excessive number of agents being appointed by the companies and that the appreciation of the association be extended to the West Virginia Fire Underwriters Association for the invitation to appear before the annual meeting of that organization.

Deputy Commissioner Discusses Vital Problems

Present day problems in the state insurance department were discussed by Deputy Commissioner W. E. White. He said that West Virginia had more effective control over the companies and their relations to local agents than many other states because the West Virginia law on company admission provided that no admitted company could make contracts of insurance with citizens of West Virginia except through lawfully constituted and resident agents. Since this provision is in the statute governing admission of the companies, it is possible for the insurance department to govern conditions by refusing to grant or by cancelling licenses. The department was kept constantly busy, said Mr. White, in investigations of alleged violations of the resident agent law and in a recent case succeeded in getting a large line into the hands of the local agent where a company had violated the law, paid higher commissions to a New York broker than was allowed the local agents. He stated also that the department had written a letter recently to the secretary of the West Virginia Uniformity Association calling attention to the writing of insurance at cut rates through unlicensed agents. Captain White said that the insurance department had informed the companies that if they continue to write the business at cut rates they would be called upon to write all property of the same class in the state at the rates given to favored policyholders.

The department has had some success, declared Mr. White, in curtailing the sale of insurance in unauthorized

West Virginia companies by stopping the radio and newspaper advertising of such companies. The West Virginia law provides that newspapers can not aid in the placing of unauthorized insurance and this statute has enabled the department to stop advertising which had already been started in Charleston and other papers. West Virginia was the first state to pass a law providing that West Virginia companies can do business in West Virginia only if they confine their writing to states where they are licensed to carry on an insurance business.

Reviews Situation as to Farmers Mutuals

The deputy commissioner's remarks on farmers mutuals were given careful attention. He said that many of the mutuals which had been organized to write business on farm property in limited territory had now expanded their operations to include the entire state and were writing business in unprotected villages and that the department was almost powerless to regulate any of these mutuals because insurance laws generally contain the exception that the law would not apply to farmers cooperative organizations. Under the law, the West Virginia department must examine the farmers mutuals every three years but recently, he said, examinations had been made in some cases as often as annually. At the present time, the department has discovered two or three of the mutuals showing a deficit although most of them carry a small surplus. The hardest thing on earth, said Commissioner White, is to collect assessments under the law. Even though the law and the contract makes an assessment notice a lien on property the difficulties and expenses of collecting the assessments makes this method of procedure extremely difficult. Suppose, he said the risks are distributed over the entire state and an assessment averaging \$15 a policyholder is made. Where payment is not made, the cost involved in collecting this \$15 through court procedure is more than the assessment amounts to and then another assessment is necessary to get the court costs involved in collecting the first one. He reported that one farmers mutual is now in the hands of a receiver and that it was possible another would likely be treated similarly at an early date.

Big Factor Is Payment of Agency Balances

In closing his talk, Mr. White emphasized that the insurance department had no choice but to regard an agent who failed to pay his balances as untrustworthy and therefore failing to meet qualifications for representing an insur-

ance company in West Virginia. The payment of agency balances, he declared, was an essential factor of trustworthiness.

Commenting upon a telegram of greeting received from President Percy Goodwin, President Alexander of the state organization paid a tribute to Mr. Goodwin.

In his talk on "Allied Lines of an Agency Builder," R. E. Richman of THE NATIONAL UNDERWRITER first outlined a plan for selling the business man and the insuring public the basic insurance idea which makes the so-called allied lines as important as any other insurance lines and then followed this with a method, founded on reasoning, for determining what lines of insurance should be taken by a prospect as a matter of necessity and what lines as a matter of choice.

Calhoun Reports Record of National Association

President Alexander then introduced W. B. Calhoun of Milwaukee, chairman of the executive committee of the National association, who outlined the recent achievements of that organization. Mr. Calhoun mentioned the successful effort to prevent reduction of commission on workmen's compensation insurance, the successful Hoover dam intervention; establishment of company-agency conference machinery; obtaining of new pledges from the companies to live up to rules and regulations of the Interstate Underwriters Board; election of George Markham to board of directors of the Chamber of Commerce of the United States. Mr. Calhoun also accorded Mr. Goodwin high rank among the National association presidents.

Silas Wasserman, with the Thornburg agency in Huntington, explained the difference between mutual life companies and mutual fire companies, quoted from the Encyclopedia Britannica a statement that "like every other product of human skill, insurance is, for the most part, best applied to the market by those who make it their calling to produce it for gain." Mr. Wasserman said that the net cash surplus of one of the most active fire mutuals in West Virginia had dropped from approximately \$1,020,000 Dec. 1, 1929, to approximately \$824,000 Dec. 1, 1930, and that the net cash surplus of this mutual on April 30, 1931, was approximately \$648,000. Mr. Wasserman urged local agents to make their policyholders familiar with the differences between stock and mutual insurance.

An executive session followed Mr. Wasserman's address after which C. I. Thornburg of the C. I. Thornburg Company, fire prevention engineer, spoke on

the opportunity of fire insurance agents to make effective their community responsibility on fire safety. Mr. Thornburg said that mutual and reciprocal insurance recorded its chief successes in fields where risks were selected and fire prevention requirements were high and that the best way for stock company agents to meet their competition was to go in for more fire prevention instead of waiting until others took away the client by pointing out methods of rate reduction through fire prevention application. Mr. Thornburg particularly emphasized the value of automatic sprinklers for holding the business of the local agents.

E. V. King, superintendent West Virginia Inspection Bureau, was called upon by President Alexander. Mr. King urged the insurance agents to tell their local municipal officials about the short course for firemen to be conducted in July in cooperation with the University of West Virginia. A four day meeting will be held at a very nominal expense for those attending. Local agents, said Mr. King, could do much to encourage their local fire chiefs to get to the school.

C. L. Heaberlin of Beckley then explained briefly the terms of the bond bill vetoed by the governor during the last session of the legislature. This bill provided that a blanket bond should be written covering all deposits of the state in its various depositories and that each bank send the premium to the state treasurer in proportion to the amount of state funds deposited. Mr. Heaberlin urged the convention to go on record commending the governor for vetoing the bill.

Seek More Effective Fire Prevention Program

The Friday afternoon session began with adoption of a proposal of F. D. Calley, Huntington, that the association cooperate with the fire marshal department and request a program for more effective prevention of incendiary fires. Agents reported on what they termed irregular practices of companies and stated that detailed and specific information about these practices would be furnished to the insurance department. Agents were particularly emphatic in statements that members of West Virginia Fire Underwriters Association violated their own rules, by which the agents were bound, to take business away from the agents. After hearing reports from the resolutions, nominating and auditing committees, the convention adjourned. Invitations have been received to hold the next convention in Elkins and in Parkersburg. It is considered likely at this time that the convention will go next year to Elkins, the home of the newly elected president, H. H. Keim.

J. A. PHILLIPS,
Special Agent

Charleston, W. Va.

ALFRED PAULL & SON

A. S. PAULL, General Agent

700-707 Riley Law Bldg. :: :: Wheeling, W. Va.

C. J. JOHNSON,
Special Agent

WHEELING, W. VA.

HENRY BIEBERSON
President

O. E. STRAUCH
Vice Pres. and Secretary

WM. V. FISCHER
Secy.

Wheeling Fire Insurance Co.

Wheeling, West Virginia
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JOS. H. REASS, JR., Secy.-Treas.

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News From Northwest

(CONTINUED FROM PAGE 18)

American, and D. P. Lemen, president Queen City Fire.

A memorial was adopted for the late D. L. McCoy of Sioux Falls, the past most loyal grand gander, who died recently.

South Dakota Agents' Meeting

The annual meeting of the Insurers of South Dakota, the local agents' organization, will be held Nov. 10 at Aberdeen. J. B. Allen of Sioux Falls is president; H. F. Wilson of Aberdeen, vice-president, and J. D. Dux of Sioux Falls, secretary and treasurer.

Want More Fire Marshals

At the annual convention of the Wisconsin State Firemen's Association, the executive board and legislative committee of the association urged Governor La Follette to sign the bill appropriating \$12,000 for four additional deputy fire marshals in Wisconsin. For several years the state fire chiefs have con-

tended that Wisconsin, with only five fire marshals, is inadequately served.

Northwest Field Meetings

The annual meeting of the Minnesota Fire Underwriters Association will be held at Minneapolis next Monday.

The annual meeting of the South Dakota Fire Underwriters Association will be held at Sioux Falls, July 21.

The annual meeting of the North Dakota Fire Underwriters Association will be held at Fargo, July 27.

Wisconsin Notes

Geo. F. Barnes, Inc., Milwaukee, has been incorporated by G. F. Barnes, L. R. Schmaus and D. Barnes.

Funeral services for J. F. Mueller, 53, president of the Theodore Mueller Company, were held in Milwaukee last week.

Mrs. L. E. McQueeney, Portage, Wis., will continue the agency conducted by her husband, who died recently.

Dakota Notes

Guy L. McDonald, Fargo, associated with Warner Brothers agency, and Miss Alice Sheldon, also with that agency, will be married July 3.

IN THE MISSOURI VALLEY

Confer With Farm Association

Case, Swisher Ask Liberalization of Unoccupancy Clause and Other Changes in Farm Forms

Rosie Case of Marion, Kan., chairman of the farm committee of the Kansas Association of Insurance Agents, and Fred Swisher of Pratt, member of the committee, held a conference in Chicago with the managing committee of the Farm Association on Kansas farm forms.

The Kansas delegates are in full sympathy with the companies in their effort to improve the farm writing condition by reducing the level of insurance value on farm property. Indeed Mr. Case declares that in his agency he is reducing the level of insurance even below that requested by the companies. But Mr. Case and his committee believe that a number of conditions in the farm forms and rules should be changed to conform with present day farming methods and to special circumstances in Kansas. The requests of Mr. Case's committee were referred to a special committee of the Farm Association.

Vacancy, Unoccupancy Clauses

One of the suggestions was that the vacancy and unoccupancy clauses be liberalized. On farm residences, ten days unoccupancy and vacancy is permitted, while in the city there is 30 days vacancy and six months unoccupancy. Mr. Case's contention is that the farm unoccupancy clause should be extended to perhaps 30 days. The Kansas committee does not ask for an extension of the vacancy clause.

Other suggestions had to do with the coverage on appliances which are bolted to tractors and combines and on alfalfa, which is cut for feed purposes.

The farm committee of the Kansas association recently completed an extensive survey among Kansas agents as to the farm insurance situation. The Farm Association members were much interested in the results of this survey.

Approve Business Reciprocity

ST. LOUIS, June 24.—The Fire Underwriters Association of St. Louis has approved in principle the movement recently started in the east in the interest of business reciprocity, the object being to confine the patronage of insurance agents representing stock fire, casualty and surety companies to business institutions which carry their insurance in stock companies only.

No Hope for a Compromise

Subscribers Actuarial Committee Declares It Is Not Authorized to Offer Any Terms

While some of the Missouri agents are agitating the possibility of a compromise in the injunction suit brought to restrain the state from interfering with the 16% percent advance in rates, the subscribers' actuarial committee states there is no possibility of a compromise on its part because it has no authority to take such action. The rate increase, it is explained, is tied up with the Missouri litigation. Unless conditions are changed in the state so that the companies can come out even on their operations, there will be an intolerable situation perpetuated, in the minds of companies. At the famous New York meeting when Missouri was considered, the subscribers' actuarial committee was authorized to proceed with the Missouri litigation and carry it to the United States Supreme Court if necessary. The advance in rates was an accompaniment to this litigation. Therefore, the committee explains, no compromise can be made in Missouri unless another mass meeting of companies held and the former action rescinded. This is not likely to happen.

Give Reasons for Resigning

Explanation Made as to Action of Two Bank Agencies Toward Nebraska Association

There was much interest in the annual meeting of the Nebraska Association of Insurance Agents over the resignation of the First Trust Company of Lincoln and the Omaha National Company, which is the agency of the Omaha National Bank from the state body. The First Trust Company was represented by Vice-President M. C. Rathburn and the Omaha National Company by C. A. Abrahamson. Both are well known insurance men and have charge of the insurance departments of their banks.

Following the address of former Insurance Commissioner Lloyd J. Dort of Nebraska in which he criticized bank and trust companies being in the insurance business, Mr. Rathburn stated on the floor that he had the very highest regard for Mr. Dort. He explained that he had been in the business 31 years and when he took over the insurance department of the First Trust Company

he found its rules and practices as high as any agency with which he had any knowledge. He said that during his experience in the field, head office and with general and local agencies, he had studied this phase of the business very carefully and therefore he felt that he spoke with authority as to the course the First Trust Company followed. Mr. Rathburn declared there is no accusation against trust companies and banks as to their rules and practices. The charge usually brought is that they use financial pressure in getting some of their insurance. Mr. Rathburn stated that he realized that the position of the National Association of Insurance Agents and the state associations on bank agencies was such that it was a source of embarrassment for the Nebraska association to have bank agency members. Therefore, he felt that the state association should be relieved of its embarrassment and in tendering his resignation he stated that there was nothing personal involved. He declared that the First Trust Company was conducting its business along the most ethical principles and it would so continue to do. However, he said that the First Trust Company intended to stay in the insurance business.

Mr. Abrahamson followed Mr. Rathburn, stating that his position was of a similar nature and then tendered his resignation. One of the Lincoln agents arose and paid personal compliment to the two men who were resigning who are very highly regarded, and then President Hillers expressed regret at their leaving the Nebraska association.

Missouri Field Groups Meet

D. R. Ford President of Fire Underwriters Association—J. R. Curran Heads Fire Preventionists

D. R. Ford, Springfield Fire & Marine, was reelected president of the Missouri Fire Underwriters' Association at its annual meeting in Springfield, Mo. T. W. Garrett, Jr., of the Garrett General Agency, was elected vice president, and J. R. Curran, New York Underwriters, secretary. All three are Kansas City men. Mr. Ford has headed the organization for several years.

Mr. Curran was elected president of the Missouri State Fire Prevention Association. Arthur Conger, Jr., National Fire, Kansas City, was elected vice-president, and J. Burr Taylor of St. Louis re-elected secretary. The executive committee will consist of O. D. Cox, J. F. Deiber, John W. Herd, J. Elmer Ball, retiring president; W. O. Woodsmall, J. H. DuVall, W. G. Shipe, Paul W. Terry and J. H. Battershill.

In an address on "Fire Prevention from a Local Agent's Viewpoint," L. Clevlen of Poplar Bluff asserted that writing insurance that is "good for" the companies is writing insurance that is "good for" assureds. M. I. Parker spoke on "Regional Fire Schools," and Capt. H. C. Ousley on "Bringing the Fire School to the Fire Department." A. M. Buford, manager Missouri Insurance Council, also spoke and the association passed a resolution supporting that body.

Honor James S. McHugh

Eighty Field Men, Local Agents and Guests Attend Farewell Banquet Held in Des Moines

DES MOINES, June 24.—Approximately 80 local agents, field men and guests were present at a banquet Friday evening honoring James S. McHugh, who is leaving as Iowa state agent for the Hartford to become a superintendent in the production and underwriting division of the western department in Chicago.

R. G. Vincent, state agent America Fore, was in charge of invitations and Sim E. Wherry, state agent Southern Fire, was general chairman. In behalf

of the Iowa field men, Mr. McHugh was presented with a Hamilton watch, with presentation by Clay Stuart, Aetna. He was also given a testimonial book, with presentation by Mr. Vincent. Several humorous gifts were also included and brief addresses were made by Sam T. Morrison, Iowa City; Tom Kelly, Fort Dodge, and Clayton Bronson, Waterloo. Other addresses were by W. C. Boorn, Chicago, assistant general agent Hartford; L. G. Warder, in charge of the rain, hail and farm departments, and Howard Bjordstrup, Sioux City manager Western Adjustment.

Mr. McHugh has also been a popular and active Iowa field man. He served one year as most loyal gander of the Blue Goose. He has been in the Iowa field for the Hartford for 17 years. For the time being Iowa special agents will handle his work here.

Kansas City Court Installed

Nelson Elected Head of New Cat's Meow Group—Delegation Present From St. Louis

KANSAS CITY, MO., June 24.—H. S. Nelson, vice-president and secretary Phister Insurance Company, was unanimously elected Most Wise and Powerful Meow of Kansas City court of the Cat's Meow last Saturday at the court's installation.

The new Kansas City court, consisting of 27 insurance men, was installed by Royal Meow J. T. Keller, Maryland Casualty, St. Louis, who was in charge of the ceremonies, assisted by 32 other members from the St. Louis court.

A banquet was held at which talks were made by Royal Meow Keller, Recorder G. R. Schoen, Fidelity & Deposit, St. Louis; Edwin Frankman, Mercantile Insurance Agency, St. Louis, who named the order and a past most wise and powerful meow of the St. Louis court; J. J. O'Toole, former royal keeper, Mr. Nelson and A. C. Trippe, Kansas City, and J. J. McCann, McCann Adjusting Company, who did the preliminary organization work in Kansas City.

In addition to Powerful Meow Nelson, the Kansas City court elected the following officers: Most sagacious recorder of meows, W. S. Hocker, jr.; most faithful keeper of the catnip, J. K. Battershill; outside keeper of the watch, John Goodwin; inside keeper of the watch, W. J. Greene. Directors for three year terms, Robert Kimberly and Alvin Trippe; for two year terms, Louis McGee and T. E. Welsh; for one year terms, F. N. Jacks and T. S. Ridge, Jr.

To Distribute School Line

DES MOINES, June 24.—Following a custom started several years ago, the board of education, has appointed a committee of ten insurance men to work out distribution of insurance on school property. One-third of the fire insurance on school buildings expires Aug. 6, 1931. Boiler insurance expires on the same date.

Members of the committee are A. J. Verran, Sam Dorsey, J. I. Petty, Bert Jones, G. A. Holland, Paul Van Slyke, Robert Evans, E. H. Mulock, L. A. Jester and Lyford Warfield. It includes representatives from both the Des Moines Underwriters Association and independent groups.

The committee's report is to be filed with the secretary of the school board by July 15.

Cut Down on Companies

WICHITA, KAN., June 24.—At the meeting of the Wichita Insurers last week, H. R. Johnston of the Dulaney, Johnston, Yankee & Priest agency announced that his agency had dropped nine companies with a view of decreasing overhead, many having been acquired through purchase of other agencies the past few years. Mr. Johnston stated emphatically that the Kansas im-

pounded commission disagreement had nothing to do with the action, as it had been under consideration for many months. It is understood that some other large Wichita agencies expect to release some of their companies.

Central Kansas Club Elects

WICHITA, KAN., June 24.—C. E. Bailey, Crum & Forster, was elected president of the Central Kansas Field Men's Club at the annual meeting last week. J. M. Harris, North America, was elected vice-president and W. M. Moore, Western Adjustment, reelected secretary-treasurer. H. B. Brown, J. M. Harris and E. B. Fergus were appointed to arrange details and prizes for the annual fire prevention speaking contest among Wichita schools and colleges in Fire Prevention Week, which was inaugurated last year by the club and will probably be extended into a statewide contest this year by the Kansas State Fire Prevention Association.

No Payments Before Aug. 1

TOPEKA, KAN., June 24.—The final payments on the fire insurance rate refunds will not be made before Aug. 1, according to Commissioner Hobbs. It will take 50 to 60 days before it is possible to begin mailing out the checks for more than \$1,000,000, which will complete the refunding of one-half the impounded premiums.

Business Not Taken Over

The insurance business conducted by the R. J. Andrews estate will not be taken over by Guy W. Andrews of Sioux City. He has only the companies represented by him personally and those formerly represented by the Rex Agency.

Mr. Andrews announced that he had contracted with his father's estate for the insurance division of the estate's business but arrangements for transfer have not been completed. The R. J. Andrews insurance business will continue to be conducted by the estate, with Robert Andrews in charge.

On European Trip

Charles L. Crane, head of the Charles L. Crane Agency Company, St. Louis, accompanied by Fred H. Keller, a member of the agency, has left for a trip to Europe.

Sentenced for Hotel Fire

Following his plea of guilty to six charges of murder and one of arson, arising from the fire at the old Buckingham Annex Hotel, St. Louis, Dec. 5, 1927, R. H. Cotham, night clerk, was sentenced to ten years in the penitentiary. Judge Taylor expressed the opinion that Cotham was the "goat" in the plot to burn the hotel to collect insurance. He was the last of four men to face charges growing out of the fire. Two others have been convicted of murder and have appeals pending and one was acquitted.

Missouri Notes

The Thompson, Kincaid, O'Connor & Powers agency, which for a number of years has had offices on the second floor of the Pierce building, St. Louis, has leased the entire first floor of the Southwestern Bell Telephone Company building at Olive and Beaumont streets.

Funeral services were held in St. Louis Friday for John Waterworth, for the past ten years in the insurance business in Omaha and before that with various St. Louis agencies. He was a son of the late J. A. Waterworth, a member of the firm of Waterworth & Terry, managers of the Missouri Inspection Bureau.

E. G. Monnig has applied for membership in the Fire Underwriters Association of St. Louis as a Class 1 agent for the St. Louis Fire & Marine. Mr. Monnig formerly was a stockholder in the General Insurers and prior to that with the Muckermann & Cushman agency, which was merged into the General Insurers.

Security Insurance Company

OF NEW HAVEN, CONNECTICUT

CASH CAPITAL, \$2,000,000.00

FIRE TORNADO HAIL EXPLOSION AUTOMOBILE
PARCEL POST SPRINKLER LEAKAGE USE AND OCCUPANCY
RIOT AND CIVIL COMMOOTION FUR AND JEWELRY FLOATERS
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Acquire
THE OLD "STATE OF PENN"

STATES OF THE SOUTHWEST

Agents' Licenses Protested

Oklahoma Insurance Board Finds Majority of Charges Justified—Fight Rate Cutting

OKLAHOMA CITY, June 24.—About 600 agents' licenses have been protested in Oklahoma and in the majority of cases the Oklahoma Insurance Board is finding the charges are justified and the licenses will not be renewed.

Rate cutting has been brought to the attention of the Oklahoma board and W. M. Murdock, secretary, says that not only are the agents violating the law but the practice has been condoned by some of the companies. The insurance board, according to Secretary Murdock, will do all within its power to prevent rate cutting in Oklahoma and if agents or companies violate the law in this respect they may have their licenses cancelled.

Beaumont Exchange Hears Report

BEAUMONT, TEX., June 24.—Complete reports of the Texas Association of Insurance Agents convention in Houston were given by R. C. Greeres, president, and Miss W. B. Sheffield, executive secretary, at a meeting of the Beaumont Insurance Exchange last week. Ethics pledges from the National Association of Insurance Agents were distributed and will be signed and returned to W. H. Bennett, national secretary.

May Raise Dallas Rates

DALLAS, June 24.—Unless Dallas installs a drill tower for its firemen's training school rates here may be increased 5 percent, G. C. Hawley, chief engineer state insurance commission; Wallace English, manager Texas Inspection Bureau, and A. L. Reubel of the Dallas fire prevention committee told City Manager Edy. The key rate is now 13 cents east of the river and 14 cents in Oak Cliff. With proper training, Mr. Hawley declared, the fire department

would be able to reduce fire losses and thus earn a larger credit on the key rate.

Texas Pond Annual Meeting

The Texas Blue Goose will hold its annual meeting in Dallas, June 29. One of the features of the meeting will be a specially staged initiation, with Most Loyal Grand Gander Henry L. Rose lending his presence to the ceremonies. Mr. Rose will also be the principal speaker at a dinner in the evening.

Study City's Insurance

OKLAHOMA CITY, June 24.—E. W. Clarke, A. O. Workman and Newton Avey have been appointed on a committee to examine the city's insurance policy, appraise all municipally owned property and recommend the amount of insurance necessary to protect the city at minimum premiums. As a specific unit, the city hall is now insured for \$60,000 and officials doubt if they could collect \$25,000 in case it was burned.

Favor Compensation Increase

OKLAHOMA CITY, June 24.—The Oklahoma City local board passed a resolution at Saturday's meeting asking the state insurance board to give favorable and careful consideration to the increase in workmen's compensation rates

in Oklahoma proposed by the National Council on Compensation Insurance.

Gets London & Provincial

Eugene Branshaw, secretary Western National Fire of San Antonio, has been appointed general agent of the London & Provincial of the Yorkshire fleet.

Loyd Takes New Post

J. L. Loyd has been appointed special agent in the south Texas field for Beers, Kenison & Co., general agents of Galveston. His headquarters will be in the First National Bank building at Dallas. Mr. Loyd's latest connection was with the Netherlands in Texas.

Oklahoma Notes

C. H. Cowan, Oklahoma state agent, and W. H. Crawford, special agent for the National of Hartford, are visiting the home office.

Mrs. V. W. Snyder, wife of a well known local agent of Holdenville, Okla., has been confined to her home for several days as the result of an automobile accident.

R. T. Houghton, president-manager of R. T. Houghton Company, Bartlesville, Okla., died recently, after ten years' operation of that company, one of the leading local agencies of the city.

R. A. Swalley, local agent of Ponca City, Okla., was drowned recently while on an outing at a fishing club lake near Newkirk. For the past six or seven years Swalley had been manager of the Security Insurance Agency. R. R. Green has been named to succeed him temporarily.

IN THE SOUTHERN STATES

Deposit Bills Are Opposed

Both Stock and Cooperative Interests Oppose Alabama Measures Backed by Superintendent Greer

MONTGOMERY, ALA., June 24.—A terrific struggle is promised over two companion bills, introduced in the Alabama house at the request of Superintendent Greer, which, it is claimed, would practically put small reciprocal and mutual fire and casualty insurance

companies out of business. Mr. Greer declares the measures are not intended to destroy such companies but are solely for the protection of policyholders.

One of the bills, which already has been reported favorably by the committee on insurance and is on the house calendar, requires all foreign corporations, companies, associations, reciprocals or inter-insurance exchanges, doing a casualty business in Alabama, to deposit with the state securities or a bond for \$25,000 as a guarantee.

The other bill, applying only to reciprocals, requires of them the deposit

of securities in the sum of \$100,000 or a bond of that amount. This bill is still in the hands of the house insurance committee.

Starling Opposes Measure

At an informal meeting of the insurance committee the bills were both attacked and defended. W. H. Allen, of the American Reciprocal Insurance Association, Kansas City, opposed the measures. A surprise was sprung when H. M. Starling, New York, field representative of the Association of Casualty & Surety Executives, opposed the measures, stating that his organization was always averse to any legislation requiring a special deposit. In answer to questions, he said he regarded it as doubtful whether one of his companies would make a bond for a reciprocal or mutual company. He suggested an amendment providing that the Alabama superintendent could accept a certificate from the insurance commissioner of the state in which a company is domiciled showing the company to be in healthy financial condition and, if he were not satisfied with the company's financial condition then he could require the deposit in Alabama of securities or a bond.

Reform Program in Louisiana

J. D. Saint Announces Prospective Remedies for Unsatisfactory Insurance Conditions in State

J. D. Saint, member of the Louisiana Insurance Commission, announced to an unusual gathering under the auspices of the Lake Charles Rotary Club, Lake Charles, La., a program he will sponsor to improve insurance conditions in the state. The meeting was attended by citizens, company officials, local agents and members of the Rotary club and was called to discuss methods of combating the excessive number of fires in the Lake Charles neighborhood in recent months.

Mr. Saint asserted that he will sponsor a program in the Louisiana Insurance Commission for analyzing acquisition cost, especially as to general agencies which are not bona fide supervising offices. He will seek the curtailment of indiscriminate agency appointments and will stimulate the development of premium income through intensive special agents' helps to agents. He will seek

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to eliminate free insurance through improper credit terms. He will advocate closer underwriting on unprofitable classes and he will recommend that adequate underwriting information be secured through personal inspection of properties by agents on both new and renewal business through a special questionnaire designed for the purpose.

Will Call Conference

Mr. Saint said that he will recommend calling a conference between companies, agents and representatives of the various commercial bodies looking to an improvement in the unsatisfactory insurance conditions. In general, he will launch an effort to coordinate the interest of buyer and seller to accomplish their common interest. He will seek proper adjustment of insurance to valuation and will recommend to the commission that it turn its attention to remedial methods for putting the business on a better underwriting basis adopting necessary rules and regulations.

Mr. Saint dwelt on the subject of over insurance. He recommended that on all unprotected property the daily report be accompanied by an estimate from an approved contractor setting forth the current sound insurable value, the original to accompany the daily report, a duplicate to be kept by the assured.

Furthermore, he recommended that the estimating fee shall be paid by the property owner. Buildings worth \$5,000 or less should pay a fee of \$5 while buildings worth \$5,000 but not exceeding \$10,000 shall pay a fee of \$7.50 and buildings in excess of \$10,000 the fee to be determined between assured and agent.

Mr. Saint's final recommendation was that a valuation department be established in the Louisiana Rating & Fire Prevention Bureau through which all unprotected property daily reports shall pass for stamping. They shall compare the amount of insurance named in the policy with the estimate of sound insurable value on file and shall stamp the daily report "overinsured," "fully insured" or "underinsured," depending upon the value of clauses applicable in the form.

County Fire Protection

Since the purchase of a fire truck and fire equipment by Fayette county, Ky., a movement has been launched for a reduction in rates in the area having this additional protection. A conference was held this week between the fiscal court and the Kentucky Actuarial Bureau. Fayette county is the first Kentucky county to take the initiative in purchasing fire fighting equipment from public funds for the protection of property in suburban and rural districts.

Consider Georgia Tax Increase

ATLANTA, June 24.—The Georgia legislature is considering a measure for increasing the tax on net premiums collected in the state from 1½ percent to 3 percent. It is also understood that several amendments to the workmen's compensation law will shortly be offered. Little credence is given to the report that an effort to repeal the statute will be made.

Alabama Committees Named

MONTGOMERY, ALA., June 24.—Arthur Mead, recently reelected president of the Alabama Association of Insurance Agents, has announced the reappointment of the following standing committee chairmen: Legislative, Sylvain Baum, Montgomery; grievance, P. A. Eubank, Ensley, and conservation, Mrs. Sadie P. Comer, Anniston.

With the approval of the president, W. W. Croom, Mobile, chairman of the executive committee has announced the personnel of this committee as follows: R. B. Ammons, Troy; Carl Wilson, Montgomery; J. F. Bullock, Mobile; W. W. Clarke, Jackson; J. R. Daniel, Decatur; S. A. Fowlkes, Selma; Charles L. Gandy, Birmingham; R. J. Goode, Jr., Gastonburg; A. J. Goodwin, Annis-

Kentucky Head



LEN S. SHAW, Mayfield, Ky.

Len S. Shaw, the new president of the Kentucky Association of Insurance Agents, is a member of the agency firm of Shaw & Robertson at Mayfield, Ky. He entered the business in 1909 and has been closely identified with the Kentucky association in an official capacity for 18 years.

ton; R. T. S. Johnson, Florence; Edward M. Jones, Opelika; J. Ed. Jordan, Sylacauga; W. D. Leake, Jasper; Charles Morris, Tuscaloosa; Ed. Nunnally, Gadsden; L. A. Sparks, Eufaula; L. J. Thomas, Dothan; B. L. Timmerman, Andalusia; G. C. Wright, Tuskegee.

Sprinklers Failed to Work

The recent fire which swept the plant of the Virginia School Supply Company at Richmond was of more than ordinary interest in insurance circles because the sprinkler system in the building failed to work until after the arrival of the fire department. Meanwhile the flames had made rapid headway. Adjusters say that the companies suffered fully 85 percent loss on stock and 50 percent on building, making a total loss to them of approximately \$200,000.

South Carolina Tax Increased

Governor Blackwood of South Carolina has signed the bill providing for an additional 1 percent tax on insurance premiums. The 1930 legislature passed a similar bill but it was vetoed by then Governor Richards.

Louisiana Fines Remitted

NEW ORLEANS, June 24.—The Louisiana insurance commission has remitted all fines recently imposed against companies for delinquency in filing experience figures, and at the same time issued a warning against such delays in the future.

Special Agent Charlton White, who was cited by the commission to show cause why he should not be held responsible for an alleged rate violation at Natchitoches, La., was given a clean bill of health after making an explanation which was satisfactory to the commission.

New Gulfport Agency

GULFPORT, MISS., June 24.—Stewart-Sneed-Hewes, incorporated by C. H. Stewart, J. B. Sneed and F. S. Hewes, Jr., all of Gulfport, has taken over the Hewes-Washington Co., B. Havard and J. B. Sneed agencies. Mr. Sneed has been in the insurance business here for a number of years. Mr. Stewart is engaging in insurance work in addition to his official connection with

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Fight Mobile Tax Bill

MOBILE, ALA., June 24.—Insurance agents of Mobile have taken action to defeat a bill passed by the lower house of the legislature imposing a 6 percent premium tax on policies written in Mobile. The bill slipped through the lower house as a local measure and agents believe that they can forestall passage by the senate.

Arthur Mead, president Alabama Association of Insurance Agents, says that if the bills are enacted fire and casualty companies will be compelled to increase their rates enormously in Mobile or else quit that city and county. Leading life insurance officials declare that the passage of the measure would make it impossible for life companies to do business in Mobile.

Kentucky Notes

William Swene has formed an agency at Covington, Ky.

A. S. Bennett has established a general insurance agency in Hartford, Ky. He is a former state senator.

Levi Bloom and R. J. Herrmann, operating the Louisville agency of Bloom

Mississippi Association Officers Are Reelected

JACKSON, MISS., June 24.—Officers of the Mississippi Association of Insurance Agents, with the exception of three directors, were reelected at the annual convention here last week. Those reelected were: President, O. T. Palmer, Gulfport; vice-president, H. W. Watson, Lexington; secretary-treasurer, R. W. Roberts, Jackson; directors, Frank Ransom, Aberdeen; E. H. Weaver, Fayette; R. B. Wall, Brookhaven; T. L. Gaston, Hattiesburg; Julian Hopkins, Columbus; Fred Nelson, Jackson; and Eugene Peresich of Biloxi. New directors are: Lawrence McRaven, Meridian; John Ashcraft, Greenwood, and H. E. Walton, Ruleville.

& Herrmann, will dissolve that firm July 1.

B. H. Penn and W. A. Abbott of Georgetown, Ky., have formed a partnership and opened a local agency there.

The annual meeting of the Louisiana Blue Goose will be held in New Orleans June 27.

ON THE PACIFIC COAST

License Decision Is Appealed

Commissioner Averill of Oregon Takes \$500 Fee Case to United States Supreme Court

Commissioner Averill of Oregon has filed an appeal with the United States Supreme Court from the decision of the United States district court in Oregon holding invalid the Oregon statute imposing a license fee of \$500 on a fire insurance company for each agent appointed in addition to one in communities of less than 50,000 and in addition to two in cities of more than 50,000. The case is Averill vs. Northwestern National.

A three-judge statutory court decided that the statute was unconstitutional if construed to apply exclusively to foreign companies because it unjustly discriminates in favor of domestic companies. The district court held that if construed as applicable to all fire insurers, statute is void on the ground that a \$500 license fee for each additional agent is an unreasonable and unconstitutional interference with the right of a fire insurance company to transact business.

Oppose Casualty Members

BUTTE, MONT., June 24.—At a special gathering of the Montana Blue Goose held here last week, the delegates to the grand nest meeting were instructed to oppose amending the Blue Goose constitution eligibility article for casualty company employees.

Due to change in train schedule at Spokane H. L. Rose, most loyal grand gander, who was to have been the guest of honor, missed the train he expected to take to Butte and was not present at the luncheon.

Snow Heads Blue Goose

SALT LAKE CITY, June 24.—H. L. Rose, Blue Goose most loyal grand gander, visited the Utah-Idaho pond here last week. The pond held its annual meeting and election of officers which resulted in the selection of A. J. Snow, Pacific Board, as most loyal grand gander; P. H. Hobby, supervisor; W. C. Dunford, custodian of goslings; A. J. Hall, Boise, Ida., custodian of the pond;

V. E. Norton, keeper, and R. W. Dyer was reelected welder.

S. J. Carter, Pacific Coast Adjustment Bureau, Salt Lake City, entertained the Utah-Idaho Blue Goose at a week-end party recently at Vivian Park, a summer resort in Provo Canyon, Utah.

Rose in San Francisco

SAN FRANCISCO, June 24.—A capacity attendance was on hand to greet H. L. Rose, most loyal grand gander of the Blue Goose, at the meeting of San Francisco pond June 22. Mr. Rose who was seriously injured in a hunting accident last fall, appeared to be enjoying the best of health, and made a rousing talk. An added feature was the rendering of several selections by the Blue Goose glee club.

Yorkshire Officials on Coast

R. M. Hamilton, sub-manager of the Yorkshire, and F. M. Martin, United States manager, are on a Pacific Coast trip, spending some time in southern California and also in San Francisco. Mr. Hamilton is the son of Sir James Hamilton, London manager of the Yorkshire.

Rose in Los Angeles

LOS ANGELES, June 24.—A special meeting of the California Blue Goose was held here last night to meet H. L. Rose, most loyal grand gander. Tomorrow Mr. Rose will meet with the Arizona puddle of the California pond in Phoenix, Ariz., and will then go to Dallas.

Preferred Risk Not to Resign

SAN FRANCISCO, June 24.—Contrary to recent reports, the Preferred Risk Fire will not resign from the Pacific Board, according to H. F. Badger, secretary. Mr. Badger has the assurance from the executive vice-president of the company that "it is not the desire or intention of the company to resign." The company is now in the office of the R. H. Jenkins agency.

Confer With Utah Committee

SAN FRANCISCO, June 24.—The Utah state committee of the Utah Association of Insurance Agents met here Monday with the states committee of

the Pacific Board. E. Hugh Miller and J. Rogers of Salt Lake City and J. Francis Fowles of Ogden are the members of the Utah committee. R. S. Curtis of Provo, president of the Utah association, was also invited to attend the meeting and accompanied the committee.

Vallentyne with United Pacific

H. J. Vallentyne, Seattle, has been placed in charge of fire insurance activities of the insurance division of the United National Corporation, according to J. W. Reynolds, president of United Pacific group. Mr. Vallentyne has been

with the Fire Association in the Pacific Northwest.

Field Men Appointed

Cravens, Dargan & Co.'s Pacific department has appointed Fred F. Small, former local agent for the Royal group at Reno and later special agent for the fleet, as special agent in the southern California and Arizona field.

E. Warren Small, formerly special agent with Marsh & McLennan, has been appointed special agent for the Woodward Phipps general agency in northern California territory.

IN THE MOUNTAIN FIELD

Quality, Not Price, Stressed

Denver Insurance Conference Lays Plans to Keep Premiums From Out-of-towners

DENVER, June 24.—Stock insurance companies will be requested to supply to Denver jobbers, factories and big department stores the equivalent of the most advantageous coverage that they offer in other sections of the country. This decision was reached Monday at the first joint meeting of the insurance committees and the chamber of commerce's insurance committee called to plan the campaign to bring back to this city the insurance premiums that are going to out-of-town brokers, mutuals and reciprocals.

Insurance Men at Meeting

In addition to the insurance committee of the chamber of commerce the meeting was attended by committees representing local agents and state agents.

"We cannot hope to meet the low rates of the mutuals and reciprocals in our efforts to recover this business for we have a higher quality of coverage," said N. Steel, president Denver Association of Insurance Agents, following the meeting, "but we do hope to approach their proposition since we feel we cannot go to the merchant and simply ask for his patronage. We must give him the best we have in order to meet competition."

List Outside Buyers

Every insurance man in Denver will be requested to send in to this committee a list of the firms which, he knows, are buying insurance outside this market. It was revealed at the Monday meeting that many such firms have received the aid of the chamber of commerce to win their customers away from outside competition, and they will be asked to reciprocate by buying their insurance at home.

Three salaried representatives of the chamber who are calling upon jobbers and other large interests will directly

assist in bringing the insurance business into home channels.

Group Fleet Parallel Drawn

DENVER, June 24.—In a discussion of the order's group insurance at the annual meeting of the Colorado Blue Goose, Karl Eppich, E. P. Eppich & Son, declared that the membership of the organization does not constitute a definite stratum of risks as in the ordinary case of group insurance. He asked for an explanation for the order's justification for fleet insurance rates made available to its membership. "I do not want to be a party to a system which I insist in opposing in my own business," he declared.

Fictitious Fleets Considered

DENVER, June 24.—Complaints lodged against certain Colorado Springs local agents regarding their forming fictitious automobile fleets were responsible for a meeting here Friday of the Fire Insurance General Agents Association of Colorado, Wyoming and New Mexico. Company managers also were present. According to reports, general agents and company managers were asked to take up their supplies with the alleged offenders, and they were reminded that the local agents had given up the supplies of non-affiliated companies when the separation campaign was on a year ago. The general agents and company managers, however, do not believe this is a parallel case, it was said, and although the case was thoroughly considered, they adjourned without taking any action.

Company Men in Denver

W. G. Rich of San Francisco, assistant manager of the Liverpool & London & Globe; Rathbone Williams, assistant secretary of the Northern of New York; R. A. Fulton of New York, inland marine general agent of the Phoenix Assurance; A. J. Penfield of San Francisco, secretary of the Pacific department of the Atlas, and W. H. Lininger of Chicago, western manager of the Springfield, were Denver visitors the past week.

EASTERN STATES ACTIVITIES

Hupp Dealer Is Entertained

Rochester Underwriters Board Recognized Stand Taken by the Big Automobile Manufacturing Concerns

The Rochester Underwriters Board at its last meeting for the season had as its guest of honor J. J. Williams, Hupp Motor Co. manager in Rochester. President T. A. Sharp introduced Mr. Williams, who stated he was glad that the Hupp people had become 100 percent insured in stock companies. He said that the Hupp executives desire to recognize the principle of a fair return on invested capital and a just compensation for services rendered by local

agents. He said that an official of the Hupp had told him that this action had brought far greater publicity and good will than all the country-wide advertising that had been done for the concern.

In commenting on the meeting President Sharp said he hoped that boards in other parts of the country would see the advisability of cooperating with their local Hupmobile dealers in similar manner.

Considerable discussion took place regarding the results of the merit rating plan in connection with automobile insurance. Cases were cited where unfair competition resulted as the result of ignorance or wilful misstatement on the part of assureds as to past accidents.

Likewise attempts are made on the part of some agents to allow merit rating on cars where accidents had occurred in an attempt to switch business. Several remedies were suggested to curb this. A motion passed authorizing the directors to open negotiations with casualty companies to work toward the establishing of local clearing houses throughout the state to pass on and check rates and coverage of all casualty business as is done at present in the fire lines.

Chairman Duffus of the picnic committee announced July 8 as the date and Manitou Beach as the location. Charles Tuke was named marshal of the parade. Don Saunders, Nicholas Gambino and W. J. Rogers were admitted to membership.

Wellington Potter spoke on the progress of the reciprocity campaigns stating that no other feature in the insurance business has developed so rapidly and so substantially as this idea.

Is Invading Private Field

Secretary W. H. Bennett, National Association of Insurance Agents, Points Out Trend of Times

Secretary W. H. Bennett of the National Association of Insurance Agents spoke before the eastern regional meeting of the Pennsylvania Association of Insurance Agents in Bethlehem last Friday calling attention to the tendency of the state to invade private business. He said that Governor Pinchot of Pennsylvania is attacking public utilities and other men in public life are taking up the battle cry against insurance. He said that it is idle to charge that the entire personnel of any great business is composed of crooks and grafters. Insurance is subject to great supervision. He does not believe that the governor of a state is justified in going out of his way to attack a great industry that is serving the people satisfactorily. It

simply fans the fire of unrest and discontent. Mr. Bennett contended that the clouds of business depression cannot be cleared by violent attacks on business.

The entering wedge of paternal legislation has been driven into insurance with 17 states engaged in writing compensation, seven of them being compulsory. Practically every state legislature had introduced in it compulsory automobile liability measures. The United States Congress is considering mandatory unemployment insurance.

Favor Casualty Members

BALTIMORE, June 24.—The Chesapeake Blue Goose favors the proposition to permit casualty men to become members of the order. A resolution to this effect will be presented at the grand nest meeting in Milwaukee next September.

Special New Jersey Meeting

NEWARK, June 24.—A number of local agents of Newark and vicinity have been invited to attend a special committee meeting of the New Jersey Underwriters Association here Thursday. Harvey Nelson is president.

Agitate Self-Insurance Plan

MERIDEN, CONN., June 24.—Agitation for a municipal insurance fund has been started here. Recommendation of the National Board that additional fire-fighting equipment be purchased caused the move to be started by a member of the board of burgesses. As the tallest building in the city is five stories, it is claimed that heavy-duty pumping equipment and a motorized hook-and-ladder are not needed. Such equipment had been urged by the inspectors.

New England News

Manchester Agents' Outing

Honor Commissioner Sullivan on His Reappointment—Secretary Sheehan Reviews Legislative Activities

MANCHESTER, N. H., June 24.—Some 100 members of the Manchester Fire & Casualty Association held their annual outing at Hampton Beach the past week, the guest of honor being J. E. Sullivan, who had but a day or two before been reappointed insurance commissioner.

Commissioner Sullivan gave the members a fine talk and was received with enthusiasm and given a rising vote of confidence.

President A. F. Bisson presided and Secretary T. M. Sheehan, who served in

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the house of representatives as clerk of the committee on insurance, reviewed the legislative situation. President F. W. Sargeant of the New Hampshire and other leading insurance men of the state also were present. Following the banquet there was dancing and general festivities.

Elwell Made Boston Manager

BOSTON, June 24.—The General Adjustment Bureau has appointed C. W. Elwell Boston branch manager. Mr. Elwell is a native of New England, a son of former Insurance Commissioner R. N. Elwell of Exeter, N. H., and a graduate of Dartmouth college. He has been in the insurance business for some 20 years, commencing with Field & Cowles in 1911. In 1912 he went with the Commercial Union as New England special agent and held that position for 13 years, leaving in 1925 to go with the Springfield Fire & Marine, covering Boston and adjacent territory. In 1928

he was appointed general agent of the Fireman's Fund at the Boston office. He will assume his new duties about July 15.

Mountain Field Club Meets

PORTSMOUTH, N. H., June 24.—With 35 members in attendance, the Mountain Field Club, composed of special agents covering New Hampshire, met here Friday, being addressed by Secretary Ralph Sweetland of the New England Insurance Exchange.

Exchange Elects Members

BOSTON, June 24.—The New England Insurance Exchange at its June meeting elected the following active members: A. C. Munro, Boston, assistant special agent of the American Central and Union Assurance, and W. M. McCoy, Jr., Boston, special agent Home of New York for eastern Massachusetts. H. C. Davis and L. D. Goulding, Jr., were elected honorary members.

MOTOR INSURANCE NEWS

Experience Blanks Out Soon

Instruments Record Results Sept. 1, 1930, to Aug. 31, 1931, for Determination of 1932 Rates

NEW YORK, June 24.—Blanks calling for the earned premiums and paid losses, classified according to territories and again as to the different forms of coverage, for the 12 months, Sept. 1, 1930, to Aug. 31, 1931, will be sent member companies of the National Automobile Underwriters Association within the next week, and the data received, when tabulated and properly analyzed, will supply the basis for the rates to be issued early in 1932. Under this plan the organization is able to predicate its tariffs on data brought up to within four months of their issuance, reflecting as accurately as is possible the hazards of the business.

Fire companies' income from the automobile line this year is expected to show a falling off compared with 1930 as the latter year disclosed a decrease from the 1929 figures.

Cheap Cars Predominate

The sale of the higher priced cars the first five months of 1931 is considerably less than in former years, such demand as exists for machines being for those of cheaper makes.

Underwriters report a great increase in the theft of Ford cars, the numbering system employed by the manufacturer apparently lending itself to the stealing of the machines, for which a sale market is always available.

Since the discontinuance by the National Automobile Underwriters Association of rate discounts for the use of

approved locking devices, it is up to the manufacturers to demonstrate the usefulness of such mechanism on their respective cars, as reflected in the theft loss experience.

Auto Club Organizes Insurer

Rufus Potts Heads Central States Motorists, Affiliated With Motorists Association of Illinois

An Illinois license has been issued to the Central States Motorists of Chicago, which has been incorporated by interests associated with the Motorists Association of Illinois. Rufus M. Potts, former Illinois commissioner, is president. The authorized capital is \$200,000 of \$25 par value which was sold at \$37.50 per share. There was contributed to surplus \$100,000 and organization expenses were 20 percent. It will write full coverage automobile at 20 percent off manual for members of the Motorists Association of Illinois and 10 percent off manual for non-members on all lines.

Other Officers Elected

Treasurer of the Central States Motorists is Odd Meyer, who is president of Odd Meyer, Inc., the agency which has been placing insurance for members of the Motorists Association of Illinois through Chicago Lloyds. William Welsh is first vice-president; Alex Saran, second vice-president; Noah Gullett, third vice-president; Roy B. Meyer is secretary.

The officers are directors and in addition on the board are Hugo Meyer, vice-president Motorists Association of Illinois; D. G. Gibson of St. Louis and Charles Anderson of Paulding, O.

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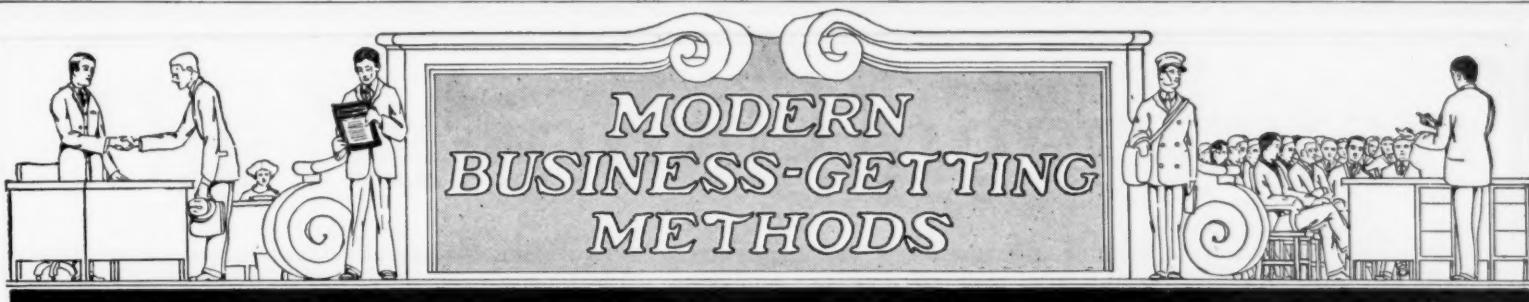
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Many Opportunities for Service Are Afforded in Covering Credit

Banking, credit and insurance are the "warp and woof" of commerce, E. S. Woosley, vice-president First National Bank, Louisville, told members of the Kentucky Association of Insurance Agents in convention there.

Mr. Woosley said of the three, credit is the most important, being the greatest factor in the growth of business, but insurance has made possible the present day credit structure and laid the foundation for an orderly and permanent commercial growth.

He sees credit and insurance as the "great civilizers." Banks could not exist in their present form without insurance, as they are credit institutions, buying credit in the form of deposits and selling it to those who need it.

He said insurance enters into the first, as well as the last operation of this credit chain. The bank protects the depositor by insurance against almost everything but mismanagement. Great hazard exists in the discount department, where millions of dollars in credit are handled, secured by assets which can burn up, be blown away, struck by lightning, ruined by water, and otherwise destroyed, Mr. Woosley said.

Insurance Protection Is Required of Borrowers

"No matter how honest the management may be, no credit committee of a bank would loan money to any business on assets unprotected by insurance," he said. "The reasons are perfectly obvious. The bank loans the money of its depositors. It can take no chances."

The tremendous structure of credit built on first mortgages, bonds, building and loan associations and other long term credit contracts, are protected by title and tornado insurance, casualty and surety bonds, etc.

Credit extended by the manufacturer or jobber is no different from that extended by the bank, it being money loaned to customers just as truly as in the case of a bank. Therefore the assets against which the credit is extended are properly insured.

Says Adequate Insurance Shows Business Acumen

"Protection from hazard in business by insurance is not only protection but is an indication of business acumen," Mr. Woosley remarked. "Nothing shows a man's foresight and business ability quite so much as a financial statement.

The fact that the statement shows ample insurance gives the bank or any other creditor another indication that he knows how to run his business. When hazards can be eliminated by a nominal cost and one that is a legitimate part of business overhead, it shows gross incapacity not to eliminate them."

Says Business Owners Should Always Be Protected

He said it is vitally important for owners of businesses to have such protection even if they do not owe a cent.

"There is never any necessity for taking such risks," he said. "If a business is worth having, it is worth insuring, and if it doesn't afford sufficient revenues for the elimination of risks, then it is self-evident that it has no reason for existence, or it isn't run right. The fact that the bank, manufacturer or wholesaler will not risk his money on uninsured assets is the most powerful reason in the world why the person concerned should not risk his own money."

"It is a fine law of the business world that business must serve in order to survive, and to sell more insurance we must serve more. There are hundreds of concerns in this territory where real service could be rendered and more insurance placed by an insurance man going in, studying the business, the personnel, and the processes of manufacturing or merchandising involved."

Considers Time Element Should Be Covered

"In the first place, there will be a program you can make up for the prospect, covering tangible assets; insurance against fire, tornado, flood, theft, hold-up and so on. Further, the time element in business may be as important as buildings and stocks of goods. Protection from loss of time is, in many instances, much more important than protection from loss by fire. Suppose the power plant burns, stopping operations for three months. The fire loss might be as low as \$5,000, while the loss from inability to operate the plant be as high as \$100,000."

"Every business man, I am sure, would like to hear about 'business interruption insurance.' A leaf can be taken from the book of marine insurance where business interruption insurance has always been present."

"In these times of high pressure in business, protection from loss of time

is as necessary for purposes of credit as protection from more tangible losses.

"In conclusion, I would remind you that the human element in business furnishes sufficient hazard to tax the full capacities of business leadership. Therefore, if other hazards can be eliminated, it is perfectly patent that more time and thought can be given to

management, and management is needed more today than ever.

"Insurance men can render an increasingly great service to business by the careful study of means and methods which will reduce hazard to the minimum, thereby freeing management for its main job of manufacturing, buying and selling."

Turner Calls for Enthusiasm

To put insurance, as an intangible, on the same footing as commodities which can be comprehended by the senses, enthusiasm and a high degree of imagination are required on the part of the agent. In an inspiring address before the New England Association of Insurance Agents, George E. Turner, president First Reinsurance, presented a picture calculated to stimulate the enthusiasm of agents for insurance companies and the institution of insurance, which could be transmitted to the public.

"Insurance," Mr. Turner declared, "is handicapped by the fact that in its purchase there is no factor of pride of ownership. No one invites his friends in to see his new fire insurance policy. One does not make an envious neighbor by trotting out a remarkably well selected insurance purchase. There is nothing in insurance corresponding to that natural touch of vanity through which we are softened to the appeals of the salesman who offers an outstandingly smart automobile, an unusual radio or an artistically fitted suit of clothes. These advantages enjoyed by so many things offered for sale in competition for the public dollar, must, in some manner, be substituted for an insurance force in insurance selling. I have yet to find a substitute quite so effective as enthusiasm and personal interest on the part of the man who sells."

Tornado Insurance Enthusiasm

Mr. Turner suggested grounds for enthusiasm, for instance, in selling tornado insurance. A corporation, he pointed out, cannot control the tornado; it cannot stand guard over the property and divert the tornado from its path, but it can place the money value of property above the power of the storm to destroy. Much the same situation exists as to fire.

Mr. Turner undertook to answer the

popular objection that premiums paid, where there is no loss, are pure waste. He pointed out that persons do not regard the cost of storing property in vaults, warehouses, etc., as waste.

In rhetorical fashion, Mr. Turner called on the cities of San Francisco, Baltimore, Chelsea, Toronto, Salem, to answer whether insurance companies have provided service. He called on the employers of labor to answer whether insurance "cracked up" under the burden of workmen's compensation; he called on the automobile owners; the depositors of thousands of banks which have closed to answer whether the surety companies have fulfilled their obligations.

Certain to Reach Port

"We are passing through a period which has tested all financial and commercial institutions as no other recent period has done," Mr. Turner declared. "For solvency and undisturbed continuity of service, compare the insurance companies with banks or transportation systems, merchandising or manufacturing enterprises. None have ridden the rough seas on a more even keel, and none are more certain of making port after this storm has passed."

Mr. Turner mentioned the various accident and fire prevention activities of the companies. He pointed out that workmen's compensation laws place a money value on various members of the body and on life, but these are things which cannot be bartered and traded and money is a poor substitute. Companies have spent millions of dollars in scientific safety work to try to prevent these tragedies. Fire insurance companies are "sentries" eternally pacing the beats of home and marts of trade to challenge the fire demon at his approach."

Result of Mistakes Due to Incompetence of Agents

Question—According to the ethics practiced by reputable insurance companies, if an agent sells the insured a policy in which the stipulations of the contract are not made clear to the insured and do not cover the risk in the manner expected it would, would the insured, in such a case, be entitled to indemnification? Should the insured carry the loss, or the company for the incompetence of the agent as its direct representative to the public?

Answer—The principal reason why an insurance company cannot make payment in accordance with the understanding of the assured, when the agent has been incompetent or deceptive, is that it has been demonstrated by much experience that a company cannot afford to do business except on written contract. In many cases the assured has

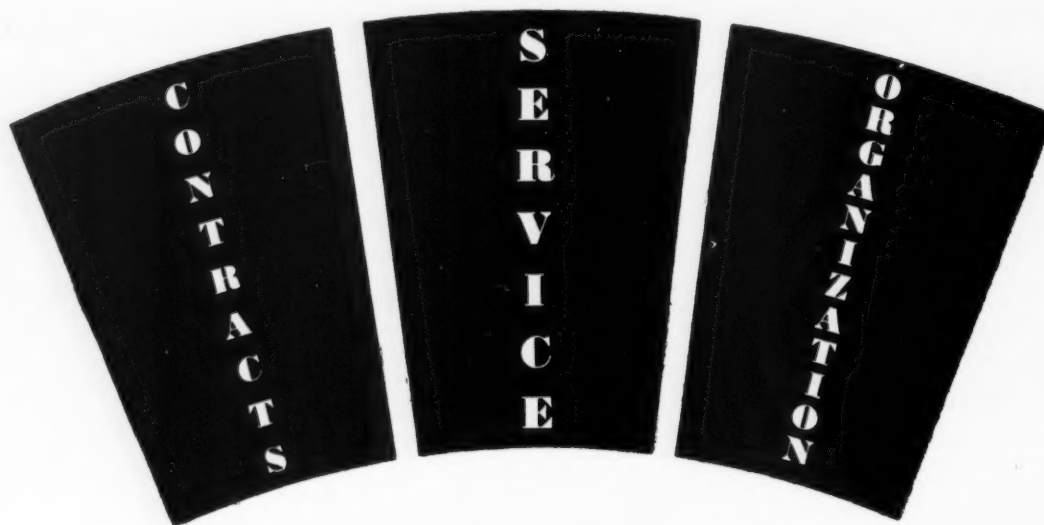
an honest misunderstanding of the insurance granted by his policy. In many other cases, however, the assured might claim a misunderstanding in order to get his loss paid. The law throws on the assured the burden of reading his contract. The universal rule of law, not only in insurance but in every other kind of contract, is that when the contract is reduced to writing, the writing shall be taken to express the intention of the parties. This rule of law has been found necessary by the courts because of the tendency of people to make claims of misunderstanding, or rather of understanding something different from what the written contract provides.

The Policy Analysis Section, A. & H. Bulletins, is the only source of up to date information on Accident and Health Contracts. It answers all questions on policies quickly, accurately and completely. It will help you hold your customers and write new business. Write The National Underwriter Co., 420 East 4th street, Cincinnati, O., for full information.

Must Keep up With the Times

W. S. Pearce, New Orleans Bank building, New Orleans, general agent in charge of the southern marine department of the Fireman's Fund, serving Texas, Louisiana, Mississippi and Alabama, spoke before the Mississippi local agents, taking up some of the inland marine activities. He said that inland marine does not have to be sold by high pressure methods. He averred that this is a modern age and inland marine insurance is devised to meet the modern demands. There are many hazards to which a person is exposed that can not be covered through regular channels.

For instance, an agent could write an all-risk cover, taking care of fire, tornado, burglary and perils of transportation which cost less than specific policies for each class. Mr. Pearce said that a normal and not an artificial market exists for inland marine lines. He said that in these days there is a call for active development of new premium sources. One of the lines of least resistance is to canvass one's own clients for inland marine possibilities. Many agents, he said, are securing orders from business houses and individuals that have not carried this insurance.



Split Three Ways

Why do brokers, life insurance agents and agents sell the Accident contracts of The Employers' Group? We asked several of these gentlemen. Practically all of them gave the same three reasons. Contract, organization, service . . . these three, but the greatest of these is service.

No insurance man can afford to place accident insurance in a company that talks technicalities after the accident.

The Employers' Group doesn't quibble over personal accident claims. And the insurance man appreciates this fact.

The Accident Number of
The Employers' Pioneer
will give you some inter-



esting information. A request for your copy incurs no obligation.

The Employers' Group
110 Milk St., Boston, Mass.

The National Underwriter

June 25, 1931

CASUALTY AND SURETY SECTION

Page Thirty-three

Surety Companies Watching Trends

Become More Exacting Over Depository Bonds as Banks Suspend

SITUATION MORE TENSE

Manual Statements Are Scrutinized With Meticulous Care

Owing to the bank situation surety companies are more exacting than ever on depository bonds. For a time it seemed that the underwriters would loosen up a bit but with bank suspensions in Chicago, Rockford, Ill., Waukegan, Ill., and other points there has been further clamping down of the lid. The closing of the Foreman banking interests in Chicago and consolidating them with the First National Bank came as a big surprise to the surety men as they felt the Foreman banks were secure. They did not hesitate to write depository bonds where the Foreman banks were interested. For this reason the outlying banks associated with the Foreman downtown institutions were favored on depository bonds.

Cautious on Outlying Banks

Surety companies are now only taking depository bonds on the best banks and are very cautious as to suburban and outlying banks. The further suspension of banks in the Chicago district this week has only accentuated the fear on part of surety home offices. Some surety offices are loaded up heavily on depository liability in Chicago. Companies are turning down reinsurance on depository bonds unless it is business offered on the very best banks regarding which there is not a scintilla of doubt. The smaller banks are having a hard time of it. In a number of localities surety companies will not write depository bonds on any bank and this is forcing deposits to big banks in large centers.

Effect on Contractors

Another factor that is being felt owing to the bank situation is the closer scrutiny of contract bonds. For instance, a financial statement of a contractor may show that he is dealing with one bank and that he has his deposit there. The bank agrees to extend a certain amount of credit. The underwriter then studies the statement of the bank and is very much in doubt as to whether the bank can pull through in case of even a mild run. If the bank suspends the contractor is crippled. This has happened in some cases recently where contractors were dealing with banks in the Chicago district. They were being financed by these banks. They were in the midst of their jobs when their bank closed and left them without sufficient funds and with a credit collapse. Therefore surety underwriters are studying

Hope for Better Conditions in Chicago Local Field

COMPANIES BEING LINED UP

General Manager Beha of National Bureau of Casualty & Surety Underwriters Has Conference

General Manager Beha of the National Bureau of Casualty & Surety Underwriters met with the Chicago committee dealing with the casualty and surety situation while he was in the city attending the meeting of the National Convention of Insurance Commissioners. Mr. Beha talked over the situation with the Chicago local people and expressed himself as confident that a sufficient number of companies would sign the agreement providing for a Chicago organization and put the machinery in effect in due season. All the companies whose signatures are desired had not been gotten at the time Mr. Beha was in Chicago. However he said that the outlook for a successful consummation of plans was very hopeful. There were three members of the company committee in Chicago: Vice-President R. J. Sullivan, Travelers; President J. S. Phillips, Great American Indemnity, and General Counsel Guy Gleason of the Employers Liability, representing Manager Stone.

MEETING IN NEW YORK

NEW YORK, June 24.—Final draft of the constitution proposed for the government of the casualty agents association to be formed at Chicago, will be considered by the Chicago committee of the National Bureau at a meeting here this week after which the plan will be mailed all member companies with the request that they examine it critically and, assuming it meets their approval, promptly attach official signatures thereto, pledging support of its provisions. The committee is confident the constitution as now prepared will meet general endorsement and the launching of the agents' organization will follow shortly.

Executive Committee to Meet

On Thursday the executive committee of the National Bureau will be in session. Its meeting will be followed by a gathering of members of the casualty acquisition cost conference recently named to confer with Superintendent Van Schaick, seeking to work in accord with the views of the state official in keeping costs of their operations within proper bounds.

Sustains \$20,000 Verdict

MONTGOMERY, ALA., June 24.—The Alabama supreme court has sustained the \$20,000 verdict obtained by Elizabeth Penton against her husband. While Mrs. Penton was driving her husband's car it began to skid and Mr. Penton grasped the wheel to help his wife. The automobile was wrecked and Mrs. Penton seriously injured.

carefully the contractor's statement with relation to banks to see whether in case of a suspension of a bank the contractor would be hopelessly crippled.

Personal Liability Form at Bargain Rates Is Proposed

DEVELOPED BY THE ZURICH

Executive Committee of National Bureau to Pass on Broad Cover for Householder

The personal liability form, which was developed by the Zurich to cover the householder against a multiplicity of hazards at a cost less than the sum of the cost for each of the items involved, is being submitted to the executive committee of the National Bureau of Casualty & Surety Underwriters by the governing committee of the compensation and liability department of that organization.

The idea of providing home owners with a broad coverage in one package has been gaining ground. The Travelers, for instance, not long ago announced a combination policy covering many of the liability and other casualty hazards, but charging the full tariff for each item. The Central West Casualty is issuing a combination liability policy, much similar to the Zurich form. The fire companies in many of the states are selling what is known as a six-point supplemental contract, being an endorsement to the fire policy covering against tornado, hail, motor vehicle and falling aircraft, riot and explosion.

Cover Husband and Wife

Under the Zurich form, the policy would cover the legal liability of husband and wife both as to personal injuries and property damage as provided in the contract. The policy also covers liability on account of minor children and caused by any servant employed.

The policy would also include liability for claims rising on account of sport operations including athletic games, golf, fishing, hunting, using saddle horses, bicycles, canoes or rowboats, or while using power or sail boats not owned or chartered by the assured. A list of 14 exclusions has been submitted for consideration.

The proposed rate for the new cover is \$15 for public liability and \$5 for property damage, making the total \$20 with a proviso that 3-year policies could be written at 2½ annual rate. It is also proposed that golf liability be added, \$5 for public liability and \$2.50 for property damage and that similar covers as to saddle horses be made at the same rate.

Rating of Schools

The governing committee gave consideration to a proposal for changing the present rating system for schools and colleges. The rating is now on an acreage basis. It was contended that this should be on a basis of the number of students and that the class of instruction should contribute in determining the rate. The question was referred to a subcommittee.

Another proposal was a scheme for issuance of a blanket form of products public liability insurance to be issued to manufacturers of food products. This form contemplates blanket liability cover for concerns distributing or selling products of various types of manufacturing concerns.

U. S. Finds Farm Cover Inadequate

Survey Report Says Farmers of America Do Not Carry Enough Casualty

BUSINESS OPPORTUNITIES

Department of Agriculture Makes Suggestions as to Covering Only Main Hazards, Revising Rates

If a woeful lack of adequate protection means anything, there is a wonderful opportunity for casualty men among the farmers of America, it is indicated in a report of a survey just completed by the Department of Agriculture.

Most significant is that although the farmers are rapidly coming alive to the need for automobile insurance—perhaps one-half of them now being covered—a great many carry only fire and theft, ignoring collision, property damage and public liability.

Hazard Life Savings

The report states: "The majority of farmers who own motor vehicles still continue literally to risk the savings of a lifetime on the doubtful chance that most serious personal accident will result to others from the operation of their cars and trucks. Only a scattered few of the farmers who employ help carry any form of employers' liability insurance."

Three general reasons are given for farmers' lack of adequate protection: "(1) A disregard on the part of many farmers of the need for insurance protection and inordinate complacency toward the personal assumption of serious risks; (2) a lack of income sufficient to permit the purchase of adequate protection; and (3) a lack of insurance facilities that make protection available at a cost in keeping with the risk to the honest and efficient farmer."

Consider Cost Too Heavy

"Automobile insurance for farmers is largely a development of the last decade," the report goes on. "Such insurance was earlier as well as now available from companies that do primarily urban business, but the rates of these companies have too generally been based on urban loss experience, making the cost of such protection unduly heavy for the farmers' automobile risks."

"In the last ten years a number of specialized farm mutual automobile insurance companies have been organized, particularly in the middle west, and in some of the states in this section it seems probable that fully one-half of the farmers now carry a relatively complete automobile insurance."

"Only meager progress has been made in the cooperative employers' liability insurance for farmers. Most of the cas-

(CONTINUED ON PAGE 42)

Ives Declares Business Is in Need of "Air," Not "Pap"

GIVES ADDRESS IN LOUISVILLE

Special Counsel of Casualty & Surety Executives Calls for Aid of Insurance Men

American business now needs air, a chance to breathe, and not bureaucratic regulation and political control, "pap" or subsidy, H. S. Ives, special counsel Association of Casualty & Surety Executives, told the Kentucky Association of Insurance Agents at the banquet held in Louisville during the agents' meeting.

It is foolish to believe that national financial indigestion can be cured by belaboring the victim at a political whipping post, he said, nor can it be cured by promoting government ownership schemes, urging paternalistic panaceas, denouncing profits, continuing repressive bureaucratic regulations, or advocating abolition of private property.

Needs Intelligent Support

Business "needs the support of people intelligent enough, courageous enough and candid enough to admit that no party and no government ever made this or any other people prosperous," he said.

Mr. Ives sees the present economic situation to a large extent due to the "vicious, unjust and dishonest attacks" made against American business by political racketeers and others. He said this systematic and persistent propaganda created unrest and uncertainty in many quarters, aroused unwarranted suspicions, tended towards the maintenance of an illogical system of taxation, resulted in drastic legislation and arbitrary and often autocratic governmental regulation and control. It discouraged individual initiative, penalized success and made capital timid, he said.

Obligation Is Pointed Out

He said organized insurance men can do much in maintaining confidence in the fundamental integrity of our institutions. Insurance has proved its ability to present its case effectively to the public in a crisis. There were thousands of legislative bills introduced affecting insurance, more than 2,200 on casualty and surety alone considered of importance, and a large number objectionable. Ten states tried to create state funds for workmen's compensation, and 37 bills appeared providing for experiments in the discredited Massachusetts system of compulsory automobile liability insurance.

Despite this, insurance escaped practically unharmed. The trend however is increasingly more dangerous and must not be ignored, Mr. Ives said.

Attack Insurance Business

He said employers, unfortunately, have been responsible for some of these attempts to put through state compensation funds. He said they have accused carriers of profiteering and some have insisted that the insurance business, because of its social aspects, should be organized and conducted without profit to capital.

"Whether these employers realize it or not, such arguments only serve to mask the exaction by industry of a subsidy from the general taxpayers. Government ownership inevitably leads to a substitution of government deficits for private profits, and these deficits must be met from tax revenues.

"I never have been able to understand why otherwise intelligent American business men should thus temporize with socialism. In six of the seven states monopolizing the compensation insurance business, those monopolies were promoted by so-called 'big business.' If any owners of these industries are championing government ownership

Fidelity & Casualty's New Agency Leader



M. J. O'BRIEN

M. J. O'Brien, Fidelity & Casualty manager at Philadelphia for considerable territory, prominent in F. & C. ranks, who has won success by his own ability and effort, is receiving congratulations from the field forces because he will be their agency leader at the head office, having been appointed superintendent of agencies. His brother, Frank E. O'Brien, is assistant superintendent of agents in charge of the educational department. The two O'Briens make a big team.

Mr. O'Brien entered the F. & C. service in the engineering department 18 years ago when he was located in Milwaukee. He was transferred to Detroit in 1914, being switched to the sales department. He remained there for two years under the supervision of the branch manager. In 1916 he traveled in Indiana as special agent and in 1917 he was placed in charge of the district office at Altoona, Pa. Later in that year he was transferred to Pittsburgh as assistant resident manager to the late John L. Rivolta. He returned to Michigan in 1920 as assistant manager and remained at Detroit until 1923 when he was called to New York to become assistant manager of the metropolitan office. In 1925 he was made associate manager. Owing to the fact that Manager S. H. Pool of Philadelphia was in bad health, Mr. O'Brien was sent there as associate in the middle department for Pennsylvania, New Jersey and Delaware. He became manager in September 1929 on the death of Mr. Pool.

of their own business, it has escaped my attention.

"One of the reasons for this apathy in regard to the fate of insurance as a private enterprise is the lack of knowledge possessed by the public generally of its processes. Many think of it as a mere business or trade, such as banking. They consider in detail what it is and fail to give thought to what it does. Not until the status of the insurance concept is changed will insurance attain its rightful place in the social and industrial structure, and that change will not come until those engaged in the business themselves recognize insurance as a 'key' business."

Tucker Now General Agent

G. E. Tucker has been appointed general agent for southern California by the Southern Surety. For the past two years he has been manager of the Los Angeles branch office of the Southern Surety and Home Indemnity.

The Standard Surety & Casualty has joined the New York Plate Glass Service Bureau, increasing its membership to 52.

Credit Insurers to Gather at Asbury Park in July

RATE ADVANCE IS NOT LIKELY

Number of Claims Shows a Decrease But the Liabilities Are Substantially Higher

NEW YORK, June 24.—Despite the fact that the credit insurance companies have been paying out \$125 in losses and expenses for every \$100 received in premiums for months past, no further advance in rates is contemplated, the assumption being that the increase of 33½ percent in New York state decided upon early in the year, and the 20 percent advance ordered for the balance of the country will prove sufficient to enable the companies at least to break even on the line. Salvages in the business approximate 25 percent.

Officials keep in constant touch with one another as to developments in the business, and have had a series of conferences both in this city and in St. Louis in recent months. A further meeting will take place at Asbury Park, N. J., in July, its purpose being merely to discuss the general business conditions and the effect upon credit insurance. No change in the policy contract is contemplated nor is any other action of first importance.

Average Liability Greater

While the number of credit claims has decreased in a recent period underwriters state the liabilities thereunder show a material advance.

Of interest to insurance men is the statement by Preston Shealy, counsel of the National Credit Retailers Association, at its annual meeting in St. Louis, that "bankruptcies eliminated \$5,000,000 in debts the past five years. To that figure must be added millions creditors have been forced to receive under compromise settlements." Declaring further that bankruptcy of wage earners increased 77 percent compared with 28 percent among other classes of failures, Mr. Shealy held that "a law that permits a man to escape his just debts even to the necessities of life, because he lived extravagantly, indulged in speculation and other forms of gambling, and failed to give attention to his means of livelihood is an unwise law and should be amended and brought into line with the bankruptcy laws of other countries which frown on such practices."

Accident Insurance Reform Program Is Adopted in Full

NEW YORK, June 24.—The special meeting of the Bureau of Personal Accident & Health Underwriters held here yesterday to consider the recommendations of the special committee on uniformity of policy clauses was unusually well attended, over 60 companies, including those of first importance, being represented by their respective officials.

It was agreed to accept the report of the committee in its entirety, the governing committee being directed to put the machinery necessary in motion within a reasonable period.

Eckrote Is Massachusetts Bonding Kansas City Head

W. L. Eckrote, who has been engaged in general development work in the middle west for the past year, has been appointed manager of the Kansas City branch office of the Massachusetts Bonding. He succeeds Frank Wheeler, who is resigning after having served as manager of the branch for two years.

Mr. Eckrote, before traveling throughout the middle west, was manager of the Massachusetts Bonding's Syracuse, N. Y., office.

Golf Liability Is Needed These Days

The golf liability policy comes in mighty handy at times. Last Sunday on the Evanston, Ill., community course, Miss Hildegarde Pohle of Chicago was struck in the face by a golf ball. She was taken to the Evanston hospital and it was found that her nose was broken and one of her eyeballs cut. These are the days when a sports liability policy should be carried by those who indulge in pastimes that may bring accidental injury.

Agreement Is Reached for Minnesota Auto Rate Raise

ST. PAUL, June 24.—Increases of 15 per cent in liability and property damage on commercial cars and 25 per cent on pleasure cars were tentatively agreed upon at a conference of insurance men here. Increases as high as 46 per cent were proposed for the Duluth district, where rates now are higher than in most parts of the state.

E. E. Robinson represented the National Bureau of Casualty & Surety Underwriters. Excessive verdicts allowed by Minnesota juries was given as the reason for the increases. Figures were presented showing that average losses paid per car in Minnesota for three years were: 1927, \$22.01; 1928, \$33.03, and 1929, \$24.34, while the present insurance rate yields but \$17.99 to meet these claims. The 1930 figures, not yet available, will show a still greater loss ratio, Mr. Robinson said.

A. H. Stofft, Ocean Accident, who has been taking an active part in the conferences, said that lack of a drivers' license law in Minnesota was a direct cause of the need for increased rates.

Wisconsin Kills Auto Bill, Negligence Measure Signed

MADISON, WIS., June 24.—The Wisconsin senate has changed its mind and killed the Polakowski bill providing for the establishment of a compulsory state automobile indemnity fund by a vote of 23 to 8. The bill, which was engrossed last week, provided for a fixed annual fee from owners of motor vehicles and provided for a schedule of awards patterned after the workmen's compensation act. W. W. Belson, secretary Insurance Federation of Wisconsin, led the opposition to the bill. He estimated that the revenue from the proposed law would be \$8,487,215, while the accident claims and administration expense would be around \$28,000.

The Wisconsin senate has engrossed the Fellenz bill to put teeth in the drivers' license law. Under this law a person who fails to pay a civil judgment arising out of an automobile accident or who has violated a major traffic law, would be forced to purchase liability insurance before his drivers license is reissued.

Governor La Follette has signed the comparative negligence measure for injury to person or property. Under the new law contributory negligence will not bar recovery providing it is less than the negligence of the person sued. The Wisconsin assembly has passed a bill providing for a legislative interim committee on compulsory automobile insurance. The assembly previously killed two resolutions ordering a 1932 referendum on the advisability of compulsory automobile liability insurance.

The Fidelity & Casualty has moved its Detroit office to the 26th floor of Eaton Tower building, George Lieber is resident manager.

Rating Under the Simplified Plate Glass Manual Easier

TUBMAN GIVES EXPLANATION

Man Who Helped in Revision Gives Interesting Talk Before New York Service Bureau

NEW YORK, June 24.—Carroll Tubman, manager plate glass department Maryland Casualty, was the speaker this week at the third of a series of four lectures on plate glass insurance sponsored by the New York Plate Glass Service Bureau. He gave an explanation and interpretation of the plate glass manual. He has served on the committee that revised the manual and on subsequent bureau committees.

"It is my purpose," said Mr. Tubman, "to attempt to lay out what might be called the groundwork upon which was erected the different rating as respects classification, and to show the limits that might be said to mark the boundaries of these in such a way that one would select naturally the class into which a given piece of glass would fall.

Explains Glass Manual

"Hundreds upon hundreds of buildings will present little variations that could not be considered by the manual but it is possible to establish sectional divisions that will serve as a guide. Older heads in the business will remember how previous manuals amplified and amplified until the manual itself became a bulky thing with so many ramifications that more mistakes were apt to happen than would be the case under simplification.

"When the big statistical plans were finally set up it was discovered that the vast proportion of the business fell in one or two classes, such as, about 85 percent of all glass was in a box car classification for one thing, and that about 75 percent of all glass came under the exterior grade classification and still again, that about 75 percent fell in plain plate gradings.

"As a result of this, the manual was boiled down to a few important classes. This was of great advantage because it helped the agents throughout the country to easily compute plate glass premiums, and the easier this job is made for them the better it is for the plate glass insurance business as a whole.

"We have every reason to believe that this simplification has been of such advantage as to entirely counterbalance any small loss in premium due to the absorption of the higher charges that used to apply on restricted classes."

The final lecture in the series will be June 30. The speaker has not been announced.

Huge Bond Written

SAN FRANCISCO, June 24.—The Massachusetts Bonding, Fidelity & Deposit, American Bonding, Maryland Casualty and American Indemnity have signed as co-sureties on the bonds for the \$4,000,000 construction job which will carry a pipe line across the San Joaquin valley, bringing Hetch Hetchy water into San Francisco.

Another Argument for Golf Liability Policy

Here is another argument for a golf liability policy. Last Sunday Richard Keiser was playing golf on the course of the Mayflower Golf Club on Staten Island, N. Y. His caddy was Harold Marshall, 15 years of age. Mr. Keiser hit a fast ball, struck the caddy and the latter died immediately.

Hartford President at New England Convention



GEORGE EDGAR TURNER

George E. Turner of Hartford, president of the First Reinsurance, was one of the leading speakers at the convention of the New England Association of Insurance Agents at Poland Spring, Me., this week. When he was manager and general counsel of the old Casualty Information Clearing House, Mr. Turner frequently appeared at agency meetings and was always well received.

No Disposition to Return to Three Year O. L. T. Form

General Manager Beha of the National Bureau of Casualty & Surety Underwriters says that the casualty companies doing business in Greater New York have no present intention of following the action of the General Accident by returning to the three-year policy term for O. L. & T. (owners, landlords and tenants) business in that territory. The bureau was advised early in April of the action taken by the General Accident and it arranged for a discussion of the matter with the casualty committee of New York. The committee came to the conclusion that no action was necessary. It was decided at a meeting that no action be taken and no recommendation made by the National Bureau.

Rule Six Years Old

The present rule which provides that owners, landlords and tenants, theatre and elevator public liability policies, with several small exceptions, may not be written in Greater New York for a longer period than one year was adopted by the Bureau, effective Jan. 1, 1925.

Bearing out the assertion that fluctuation in losses in owners, landlords and tenants business in New York will make it inadvisable to have the policy term longer than one year, it appears that there have been several important rate revisions in Greater New York since Jan. 1, 1925. At that time substantial increases were filed for all classes of the business, and on March 28, 1927, there was a rate level increase of 67 percent for apartments and tenements. In July, 1927, the manual rates for a number of important classifications, such as retail clothing stores, drygoods stores and department stores were increased substantially. At this time also elevator rates for several important classifications—department store elevators, sidewalk elevators and other elevators, not otherwise classified, were also increased substantially. The rate level as respects theatre public liability was increased 122 percent on March 1, 1927.

Stockholders Vote June 30 on Federal Surety Deal

DETAILS ARE NOW COMPLETED

Lloyds Casualty Interests to Retire—Old Trails, Automobile Underwriters in Reorganized Company

It now seems likely that the Federal Surety will be rehabilitated at a meeting to be held in Davenport next Tuesday when the Lloyds Casualty interests will be taken over and Ray Yenter, who has just retired as Iowa insurance commissioner, will be chosen president. There have been meetings in Chicago attended by the various interests. A bid was made for the assets of the defunct Chicago Fidelity & Casualty and its auxiliary, the Liberty of Dayton, O. The bid for the Chicago F. & C. assets was \$15,000, the value shown on the books being \$1,984,268. The qualifying check was made out by Fred Callahan of Memphis, who is identified with the Old Trails Insurance Company of that city.

It would thus seem that interests associated with the Old Trails, Liberty of Dayton, Automobile Underwriters of Dallas and some Iowa people are working out the rehabilitation plan. It is stated that the Ohio department has given its approval to the plan to take the Liberty of Dayton over and J. R. Jones, former president, may become identified with the Federal Surety. Col. C. W. French, now chairman of the board of the Federal Surety and a director of the Chicago, Rock Island & Pacific Railroad, and Ray Nyemaster, vice-president of the American Commercial & Savings Bank of Davenport, are the local people interested there.

Three Billion Is Given as Cost of Motor Accidents

In the first of a series of automobile accident prevention talks over the Travelers station, WTIC, in Hartford, Conn., A. B. Barber estimated the cost of such accidents and the economic losses due to congestion and delays because of these accidents at \$3,000,000,000 which he declared represents an average carelessness tax of \$40 a year and a congestion tax of \$80. Colonel Barber is director of the National Conference on Street & Highway Safety and manager of the transportation and communication department of the United States Chamber of Commerce.

Colonel Barber declared that the federal government is willing to aid states and municipalities in coping with the motor vehicle problem.

The speaker said that there has been improvement in the motor fatality rate among children. Since 1922 deaths of this class have increased 27 percent in comparison with 140 percent in adult deaths. There have been fewer fatalities caused by commercial motor vehicles while deaths due to private passenger cars have increased.

Last year there was a reduction in railway grade crossing accidents. He quoted statistics, showing greater increase in auto deaths in those states without drivers' license laws as compared with those which have such laws. He said there should be uniform traffic regulations throughout the country.

Sunset Mutual's New Policy

The Sunset Mutual Life of Los Angeles is issuing a new "business and professional women's" accident and health policy. Coverage is not restricted to diseases common to both sexes and there is no occupational limitation. The policy provides for free dental and health examinations. It is issued for accident only or for both accident and health coverage on women ages 18-45.

Interesting Automobile Suit Has Been Filed

J. H. Krause, president of the J. H. Krause Co., Rockford, Ill., has brought suit against the corporation for \$10,000 as damages for the death of his wife, killed in an automobile accident. Her husband was driving the car at the time and he maintains he was on a business mission. While procedure of this kind is rare, it is not unknown in casualty circles. Under a Minnesota court decision a man as administrator of his wife's estate was authorized to institute suit against himself, but was restrained from sharing in the distribution because of his negligence.

President Smith Comments on Effect of Rate Cutting

President H. H. Smith of the Central West Casualty in announcing that the company is not involved in the banks that have closed in Chicago takes occasion to observe that calamities of this kind emphasize the necessity of insurance companies charging sufficient rates to meet all emergencies. Local agents, he declares, are affected by too low rates although the result is first felt at the home office. Volume alone will not keep an agent in business, he declares. A high volume at reduced rates, even though the agent gets his full commission and increases his gross return will not long permit him to remain in the business. A temporary profit made by reducing rates has exactly the same effect as feeding a sick man a drug when he ought to have a health-giving medicine. Speaking for his company, President Smith says:

Smith's Statement

"The Central West is not going to be stampeded by the cut rates that are now being offered by a good many of its competitors. We want our agents to stand pat and we believe it is the best thing for them as it is the best thing for us. We want volume but we don't want volume at prices that show a loss the minute they go on our books. When your competitors force a thirty or forty percent discount on an automobile fleet, it is time to let them have the business and for all of us to put our efforts on something that will pay a modest profit and will stay on your books as long as you are in the business."

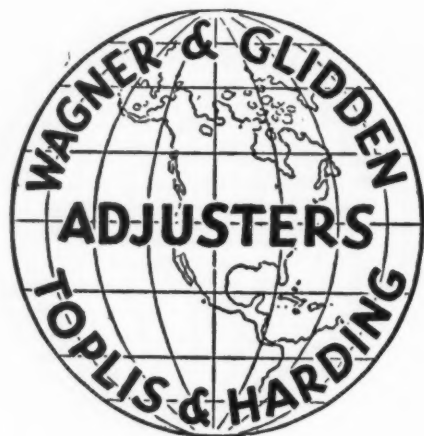
Eastern Officials Hear of Work of Missouri Council

T. S. Ridge, Kansas City; C. S. Lawton, St. Louis, and Anthony Buford, manager Missouri Insurance Council, have returned from a visit to Chicago and New York, where they reported to various officials about the activities of the council. In New York they saw F. Robertson Jones, manager Association of Casualty & Surety Executives, and in Chicago they saw J. F. Stafford, western manager Sun. The organization was formed primarily to work against the proposed monopolistic compensation state fund referendum in Missouri, which was defeated. The council has developed into an organization for handling all legislative affairs. One of its accomplishments was in getting a bill passed, placing casualty companies on the same basis as fire companies as to taxation. Casualty companies are now allowed credit, as are fire companies, for reinsurance and return premiums. The delegation reported that all measures antagonistic to the companies and the business as a whole, including 40 bills, have been defeated.



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MONTREAL—LONDON—MANCHESTER
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PARIS—MARSEILLES—NICE

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MARINE NEWS

Joins Inland Association

**Scottish Union & National Group Sees
the New Organization Is Making
Steady Progress**

NEW YORK, June 24.—The Scottish Union & National and its affiliated companies have joined Inland Marine Underwriters Association. In the several months in which the new organization has been functioning it has made steady progress and gives every prospect of continued usefulness. It has already assumed jurisdiction over several lines that hitherto have operated semi-independently and will take over others in the near future. Substantial as is the premium income already from the lines under the association's control the assumption is that the figures can and will be greatly increased, underwriters pointing out as one field that alone should yield a substantial figure if properly developed, that of motion picture machines. These are being sold in ever increasing number and are in particular demand through the vacation season. Machines and their accessories cost anywhere from \$200 to \$1,000 each and their owners' supply a fruitful field for the wideawake insurance solicitor.

The income from the all risk cover on bridges, a class of risks over which the association recently took jurisdiction, is heavy and constantly growing; the individual premiums on coverages of this type being large. Recently inquiry was made as to the probable rate on the \$25,000,000 Golden Gate bridge, the contract for building which was let in San Francisco and work upon which will begin shortly.

TIME OF EXPIRATION WAS VITAL IN CLAIM ISSUE

COLUMBUS, S. C., June 24.—The rule that the law does not take cognizance of fractions of a day does not apply to an insurance contract which insures for a period of 12 months beginning at noon standard time the day the policy became effective, the South Carolina supreme court has held in Purvis vs. Commercial Casualty.

The insured had been covered by an accident policy against death or injury caused by an automobile, for 12 months beginning at noon, Sept. 3, 1928. He was fatally injured when a tractor overturned on him at 5 p.m., Sept. 3, 1929.

Although the beneficiary received a directed verdict in the lower court, the supreme court reversed the case, holding that the parties to an insurance contract may specify when the coverage should begin and for how long it should extend. The accident having occurred after the policy expired, the company was declared not to be liable.

In view of this holding the court refused to pass upon another defense of the insurer that a tractor was not an "automobile" within the meaning of the policy.

Ken Rothschild's New Deal

MINNEAPOLIS, June 24.—Kennon V. Rothschild, formerly with the Joyce agency in St. Paul and later in Chicago, has established the Allied Insurance Agency here. Offices are in the Security building.

Indianapolis Companies Merge

The business of the Home Assurance, an industrial life company, and the Economy Life, industrial accident and health company, both of Indianapolis, operating under the assessment laws, have been merged under the name of the Home Assurance. W. O. Nicholson is president.

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*All Forms
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Insurance written
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*Real Claim Service
Reasonable Rates
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If the "Suburban" is not
already represented in
your territory, it will pay
you to get in touch with
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**SUBURBAN AUTO
INSURANCE CO.**

EDWIN F. DEICKE, Pres.

Lombard, Illinois

SURETY BONDS

According to a recent Architectural Form Forecast for 1931, over four billion nine hundred million dollars will be spent for construction this year in the United States. Think of the hundreds of contractors and likewise the millions of dollars worth of Surety Bonds that will be required. Schools head the list with Public Buildings, Apartments, and Office Buildings as runners up. Next come Industrial Buildings, Hospitals, Churches and Hotels. Most of the contractors for all of these buildings will have to be bonded so why not get part of the business on the construction that is going on in your community. Sell SURETY BONDS.

We Now Write Casualty Lines

OPERATING IN

Alabama, Arkansas, California, Colorado, District of Columbia, Florida, Georgia, Illinois, Iowa, Kansas, Kentucky, Louisiana, Maine, Maryland, Massachusetts, Michigan, Minnesota, Mississippi, Missouri, Nebraska, New Hampshire, New Jersey, New York, North Carolina, North Dakota, Ohio, Oklahoma, Oregon, Pennsylvania, Rhode Island, South Carolina, South Dakota, Tennessee, Texas, Utah, Vermont, Virginia, West Virginia, Wisconsin, Wyoming

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DETROIT FIDELITY & SURETY COMPANY

DETROIT, MICHIGAN

ILLINOIS NATIONAL CASUALTY COMPANY, CHICAGO

Lucky? Maybe!

Maybe your clients have been lucky drivers and have escaped being in an automobile accident. If so we congratulate them. We hate to sound a disparaging note but accidents every day involve drivers who have never before figured in an automobile accident. In most cases it's not their fault because they are careful drivers. Accidents occur because it's difficult to "dope-out" the other man. After an accident it's too late to buy the needed protection. Foresight is needed in getting ample protection—care in obtaining it from a company that specializes in complete automobile protection.

That's where the Illinois National Casualty comes in. Here is a strong company for Illinois and Indiana agents that specializes in sound Full Coverage Automobile Insurance at fair rates. Agents are treated fairly and policyholders are given every consideration. You should inquire about our interesting agency proposition.



T. H. REITER
President

C. H. BARR
Vice-President

ILLINOIS NATIONAL CASUALTY COMPANY

540 N. Michigan Avenue, Chicago

AUTOMOBILE	PUBLIC	BURGLARY	ACCIDENT
LIABILITY	LIABILITY	THEFT	HEALTH
PROP. DAMAGE	TEAMS	PLATE GLASS	WORKMEN'S
COLLISION	ELEVATOR	STEAM BOILER	COMPENSATION

General Accident



FIRE AND LIFE
ASSURANCE CORPORATION, Ltd.

FREDERICK RICHARDSON, United States Manager
GENERAL BUILDING - 4TH & WALNUT STS.
PHILADELPHIA

Casualty Field Changes

Remington in Philadelphia

Takes Charge of the Branch Office of
The Fidelity & Casualty in
That City

NEW YORK, June 24.—H. K. Remington has been appointed resident manager of the Philadelphia branch office of the Fidelity & Casualty, in succession to M. J. (Pat) O'Brien, called to the head office here as agency superintendent in charge of field work the country over. In returning to Philadelphia Mr. Remington will be very much at home, having been manager in that city for the Aetna Casualty and subsequently vice-president of the Constitution Indemnity for several years prior to joining the headquarters staff of the Fidelity & Casualty in May as executive assistant to Vice-president W. C. Billings. The Philadelphia office has jurisdiction over eastern Pennsylvania, Delaware and southern New Jersey.

Zurich Will Open Seattle Branch Under B. E. Sewell

The Zurich is opening a branch office in the Dexter Horton building in Seattle under the management of B. E. Sewell. He has been casualty manager of Bowden, Gazzam & Arnold, who have been general agents of the Zurich in Seattle for eight years.

The general agency will continue to represent the Zurich in Seattle for their own direct business, while the Zurich branch office will develop the brokerage lines in that city and the agency business throughout Washington. Prior to his connection with Bowden, Gazzam & Arnold, Mr. Sewell was connected with the United States Fidelity & Guaranty.

Olmsted, Inc., Takes Ohio Casualty for Three States

Olmsted, Inc. became regional managers in Des Moines for the Ohio Casualty. The agency will move to larger quarters in the Marks building Aug. 1. It will have charge of Iowa, Nebraska and Minnesota for the Ohio Casualty.

Edward Donaldson of Indianapolis, former field representative of the Ohio Casualty in Indiana, has joined the Olmsted organization. George Katchel-hofer, former manager of the Southern Surety service office in Des Moines, will also join its underwriting staff.

Employers Southern Changes

NEW ORLEANS, June 24.—The Gulf department office of the Employers' group announces these changes in the personnel of the Mississippi office: H. D. Lucey, agency supervisor for Mississippi, has been transferred to Detroit, this transfer being in the nature of a promotion. Dall Thomas, Jr., claim adjuster for the past four years, will take over Mr. Lucey's duties in Mississippi. John Carter of the New Orleans claim department has been transferred to Jackson, Miss., to succeed Mr. Thomas.

To Study Unemployment

ALBANY, June 24.—The joint legislative committee to investigate the cause of unemployment has been appointed. It has an appropriation of \$25,000 and is to report to the 1932 legislature. Every aspect of the cause of unemployment will be investigated, particularly: (1) Cyclical unemployment, (2) seasonal unemployment and (3) technological unemployment.

The committee will recommend such legislation as may be necessary to serve

the best interests of the people, with full consideration of the equities of employers and employees, without discrimination. It is expected the committee will consider the enactment of some sort of unemployment insurance law.

Life & Casualty Convention

The Life & Casualty will hold its agency convention at the home office in Nashville Feb. 11-12. Qualification is based on the records for the last six months of 1931.

A. W. Lee, who has been special agent of the U. S. F. & G. at the Buffalo branch office, has resigned to enter similar work elsewhere.

In looking back
over the growth of
your own business,
what were the factors
that aided in that
growth?

Giving a fair deal,
or making an honest
effort to do so, was
one, no doubt, just as
it has been with THE
PREFERRED AC-
CIDENT.

Write us if interested
in taking on a good
strong company for

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MOBILE INSUR-
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Preferred Accident
Insurance Company
OF NEW YORK

80 Maiden Lane New York

Wilfrid C. Potter, President

ACCIDENT AND HEALTH FIELD

Liberalization Announced

Travelers Puts Women on Same Basis as Men and Raises Maximum Limit

Liberalizations in the reimbursement form of accident insurance for hospital benefits, originated by the Travelers, are announced by that company.

The policy, which has been applicable to men and women, but in the age groups of 18 to 65 and 18 to 59 respectively, has been changed to include women in the same age classification as men. This change as respects women has been made by the company in view of the fact that women with practically the same exposure to accidents as the men of the house require the protection offered by the policy in the higher ages the same as men.

With the experience of the company under the reimbursement or family policy showing that in cases of serious injuries \$2,000 reimbursement is no more than adequate, the Travelers in its changes of the contract has made it possible for agents to write higher amounts of reimbursement in connection with the principal sums than heretofore. Previously the amount of reimbursement offered was 10 percent of the capital sum, while the policy liberalization now permits the writing of any amount of reimbursement from \$500 to \$2,000 in connection with \$5,000 capital sum.

New Premium Rates

New premium rates also have been made for the policy, with the result that excess or additional reimbursement can now be obtained at a lower rate than the initial \$500 of reimbursement.

In the announcement of the policy

changes to representatives, Secretary Ahern pointed out that the reimbursement policy is of interest to the wives, sons and daughters of present policyholders and that it can be used to supplement the protection offered by other policy contracts already in force among policyholders. The policy covers all kinds of accidents, whether occurring in automobiles, in and around the home, on the street, or while engaged in recreation, and pays in addition to dismemberment and loss of eye benefits the actual expense of the cost of medical or surgical treatment, hospital confinement, and the services of a trained nurse up to the amount of the reimbursement purchased. In addition special benefits are provided for a schedule of specific injuries.

Double Indemnity Losses Have Shown Big Increase

The recent epidemic of suicides, a large proportion of which have been staged so as to appear to be accidental deaths, has created a serious situation for the life companies in the way of claims under the double indemnity clause, as well as for accident companies. The dangers inherent in that provision were emphasized at the recent meeting of the medical section of the American Life Convention by several speakers.

An interesting sidelight on this situation is furnished by the experience of an accident and health company which has handled considerable reinsurance of double indemnity business for life companies. Over a period of 11 years, the loss ratio in that business has averaged 67 percent, which gives a very fair

profit, as there is no acquisition cost involved. Last year, however, it jumped to nearly 100 percent and for the first four months of this year it stood at 227 percent. It is not contended that that figure gives any fair indication of what it will be for the year as a whole, as there happened to be a few particularly heavy claims in that period, but it is quite evident that it is going to be much too high to return any profit for the year.

Standard Policy Bill Killed

MADISON, WIS., June 24.—The bill to require a standard accident and health policy form in Wisconsin was killed on the vote for final passage in the senate, 17 to 16, after having been advanced to engrossment by a tie vote, 14 to 14. Reconsideration was then refused, making it impossible to bring the bill up again.

A companion bill embodying the same provisions was introduced in the lower house but is believed not to have any chance of success there.

Farber Sells Interests

OMAHA, June 24.—J. A. Farber, executive vice-president and secretary of the Union Pacific Assurance of Omaha, has sold his interests to President H. A. Wolf, and has withdrawn as an officer and director.

Mr. Farber will devote his entire time in developing the Fidelity Old Line, a legal reserve stock company, and in supervising the affairs of the Atlas Accident & Health, of which he is president. Both offices will be in the Saunders-Kennedy building. Mr. Wolf and Mr. Farber have been associated in the life insurance business for 22 years.

Made Assistant Secretaries

F. W. Benjamin, manager accident and health department Commercial Casualty at the home office; P. G. Garey and William Wollny of that department

have been appointed assistant secretaries of the accident and health department of both the Commercial and Metropolitan Casualty.

R. H. Brusoe has been made superintendent of the accident and health claim department of the Metropolitan Casualty and Commercial Casualty.

Form New Stock Company

William Schultz, jr., and C. G. Schultz, officers of the Union Mutual Life and Union Mutual Casualty of Des Moines, have formed a third company, the Union Mutual Life of Iowa, a stock company with \$200,000 capital, which will write life and accident insurance.

Goes With American Preferred

J. F. Agnew, who was formerly in charge of the accident and health service department of the London Guarantee & Accident in the west, and later was connected with the Georgia Casualty in Chicago, has become manager of the health and accident department of the American Preferred Risk Underwriters of Chicago. This is a Lloyds organization which heretofore has confined its accident and health business to penny-a-day policies. It will now branch out into the field on a much broader scale.

Hulme Goes to the South

L. L. Hulme, divisional supervisor of the monthly premium department of the American Bankers at its head office in Jacksonville, Ill., has been made resident vice-president with headquarters in Tennessee, taking charge of the monthly premium business. Mr. Hulme will cover the south.

Physicians Indemnity in Court

Superintendent Thompson of Missouri has filed suit in the St. Louis circuit court asking that the Physicians Indemnity of St. Louis, writing accident



Home Office Buildings

To Agents
and Brokers

AN Application a Day Keeps
Depression Away « «

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BALTIMORE

CASUALTY INSURANCE

BONDING LINES



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There goes your luggage, Mr. Vacationist and if you haven't insurance, you're out of luck. When away from home there is no end to the many losses that may happen to luggage.

A Personal Effects Policy covers all wearing apparel and luggage against practically all risks which includes fire, theft, holdup, luggage smashing, wrecks, floods and almost everything else, when the property is away from home.

RATES

First \$1,000 or part thereof.....	3%	Premium	\$30
Second \$1,000 or part thereof.....	2%	Premium	20
Excess of \$2,000 or part thereof.....	1%	Premium	10
Minimum earned premium \$10.00			

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A FULL coverage automobile company equipped to render real service to agents. Writing at independent rates.

and health insurance, be enjoined from doing business and dissolved. He charged that it is insolvent and in a condition hazardous to policyholders.

Judge Hartmann issued a temporary restraining order and appointed R. J. Callahan temporary agent to take charge of the company's affairs.

Chicago Golf Tournament

The Accident & Health Managers Club of Chicago is holding its first golf tournament of the season today (Thursday) at the Cherry Hill golf club. Other

tournaments will be held in July and August at clubs on the north and west side of Chicago.

Accident Notes

J. F. Jones of the home office of the Lincoln Life & Accident at Oklahoma City, has been transferred to Tulsa as manager of the office there. **D. A. Hughes**, former manager, has been transferred to Wewoka, Okla.

The Federal Life company has established a district office in Greensboro, N. C., with **C. E. Chappell** as manager, to specialize in noncancellable health and accident insurance in addition to life insurance.

FIDELITY AND SURETY NEWS

Keep Away From the Class

Surety Companies That Wrote Real Estate Guaranty Bonds Are Still Counting the Loss

Surety companies that were inclined to write bonds guaranteeing principal and interest of real estate bonds have been badly hit.

The survey of the real estate bond situation made by the Investment Bankers Association characterizes it as "one of the blackest spots in our present financial outlook." Of the \$10,000,000, 600 real estate bonds outstanding, only 40 percent, it holds, are likely to work out without loss. The report states that probably 60 to 75 percent of all real estate bonds placed with investors were created during the period of the highest costs of building material and labor. It estimates that over half of the outstanding obligations will eventually disclose losses of from 10 to 60 percent. Real estate bonds dealt in "over the counter" have been going down sharply and steadily for months. "A compilation today of ten representative bonds rated from A-1 plus to C and with a par value of about \$70,000,000 showed them to have an average price of 63 against the issue price of 95½ two years ago."

In the heyday of business prosperity, when building activity was at its peak, a number of surety companies were induced to guarantee the payment of principal and interest on mortgage bonds. None are doing so at the present time, all having had an experience more or less costly. One of the prominent institutions paid its total liability of close to \$3,000,000, charging the account to profit and loss. What salvages may be secured through the course of the years will be regarded as so much "velvet." Yet another prominent institution, far more heavily involved, is wrestling with the problem of liquidating its assigned real estate holdings, hoping that this may eventually be done without too great loss. The expense of handling the real estate mortgage proposition, however, is severe. Interest on funds created for refinancing plus taxes must be

met, and these mount up. The entry of the surety offices, or such of them as did embark in the real estate mortgage guaranty field, has yielded a sorry experience.

Vetoed Texas Bill

Governor Sterling of Texas has vetoed house bill 81 requiring additional bonds for the protection of material and supply men in case of public works contracts. He declared the present law is adequate and said that the new measure would increase the cost of public improvements.

Revive State Bonding Bill

MADISON, WIS., June 24.—A bill to put the state of Wisconsin into the bonding business covering municipal deposits in state banks was revived for further consideration in the assembly after it had been killed without debate by a vote of 37 to 33 with 29 members absent.

Proponents of the bill asserted that surety companies charge large premiums on deposits with smaller banks, forcing many municipal deposits into chain systems. This bill would put the state into the bonding business with a maximum charge of 1 percent of the largest amount of deposit during the year.

Acquisition Cost Meeting

NEW YORK, June 24.—A general meeting of the Fidelity and Surety Acquisition Cost Conference will be held at the rooms of the National Bureau June 26, when a committee will be named to confer with Superintendent Van Schaick in accord with the suggestion made by the latter in his address to company officials on May 7.

Deposits in Closed Banks

According to tabulations in the hands of surety men, there were 34 banks which have closed in Chicago in recent weeks. As of March 25, those banks had deposits of \$92,444,199. These deposits were, of course, greatly reduced by withdrawals before their doors were closed.

Two of the outlying banks which closed were regular clearing house members. They were the Northwestern Trust & Savings and the Noel State Bank.

Gasoline Tax Bonds

LANSING, MICH., June 24.—A new Michigan act which creates a new field for bonds has been signed by Governor Brucker requiring wholesale gasoline distributors to post bond of from \$3,000 to \$25,000 to assure payment of state gasoline taxes.

MAY REQUIRE BONDS

LINCOLN, NEB., June 24.—An unexpected source of new business has been discovered by Nebraska surety bond underwriters. Every time the state treasurer gets a no-fund check from a gasoline dealer in payment of monthly taxes he has authority, under a new law, to force that dealer to put up a surety bond for \$5,000 to insure future payment of gasoline taxes under penalty of cancelling his license to sell automobile fuels.

Write 20 Million Bond on Golden Gate Bridge

SAN FRANCISCO, June 24.—One of the largest bid bonds ever written was handled by the Massachusetts Bonding last week when it wrote the \$20,000,000 bond accompanying the bid of the Columbia Steel Company in conjunction with the proposed building of the Golden Gate bridge. The bond was ordered by Marsh & McLennan through Finn-Elbow & Co., San Francisco, general agents for the Massachusetts Bonding. Thirty-two companies appear as cosureties. J. R. McKinney, manager Massachusetts Bonding, handled the details in connection with the writing of the bond.

WORKMEN'S COMPENSATION

Caddie's Employer Issue Up

Decision That Boy Works for Club Is to Be Appealed in New Jersey.

NEW YORK, June 24.—Whether a caddie is in the employ of a golf club or association when he is paid by a player but working under the association's control, is a point raised by J. A. Laird, counsel for the East Orange Golf Association, who will appeal to the court of common pleas the decision handed down by Deputy Commissioner C. E. Corbin in the workmen's compensation bureau in New Jersey awarding \$550 to Joseph Camino, Jr., a 16-year-old caddie.

Camino's eye was injured last fall by a ball driven by a guest of a member. The association contended that since the caddie was paid by the player and not by the club the club was not liable. Mr. Corbin ruled that it was a matter of whose control the caddie was working under, regardless of the fact that player was the actual employer of the caddie.

In other states where the matter has gone to the state supreme court, the reasoning upheld by the deputy commissioner in New Jersey has been victorious, although the number of such cases reaching the highest court have been few. In general similar rulings by compensation commissioners have been accepted without appeal to the state supreme court.

New Kansas Rates Delayed

TOPEKA, KAN., June 24.—Commissioner Hobbs will not be able to announce his decision in the Kansas workmen's compensation rate case for several weeks. The transcript of the testimony was not completed until late last week and some additional exhibits which both sides agreed to furnish have not been entirely completed. Also the tabulation of some information in the office of the insurance commissioner

and the commissioner of compensation has not been completed to the point where these statistics may be analyzed and studied. It was hoped that the decision might be forthcoming before July 1, so that the new rates could become effective with the new fiscal year if they were approved.

Wisconsin Bill Signed

MADISON, WIS., June 24.—Governor La Follette has signed the bill giving the industrial commission the right to recommend revocation of licenses issued to companies writing workmen's compensation insurance if they fail to pay claims promptly.

Expect Missouri Decision Soon

Superintendent Thompson of Missouri is expected to announce his decision soon on the application for a readjustment of rates on workmen's compensation insurance.

A recent bulletin of the Associated Industries of Missouri in discussing the proposed rates said that most of the increases sought seemingly are justified by the experience in Missouri. A number of hearings have been held by the Missouri department.

Must Pay Worker Direct

ST. LOUIS, June 24.—Circuit Judge Roskopf has upheld the Missouri workmen's compensation commission's ruling that all awards for compensation must be paid direct to the injured worker or his dependents and not to attorneys.

Protest Alabama Increase

BIRMINGHAM, June 24.—The Associated Industries of Alabama has protested against action of the insurance department in approving an increase of 3½ percent in workmen's compensation rates. A public hearing was held by Frank H. Spears, head of the workmen's compensation division, when opposition to the proposed increase was voiced by manufacturers and business men concerned.

CASUALTY ASSOCIATION NEWS

Houston Is Baltimore Head

U. S. F. & G. Man Made President of Casualty and Surety Club There at Annual Meeting

BALTIMORE, June 24.—At the spring field day of the Casualty & Surety Club of Baltimore last week the following officers were elected: President, G. P. Houston, United States Fidelity & Guaranty; vice-president, J. G. Yost, Fidelity & Deposit; treasurer, Frederick Strickland, New Amsterdam Casualty, and secretary, W. E. Moore, United States Fidelity & Guaranty. Four new governors were elected: J. F. Matthai, United States Fidelity & Guaranty; J. G. Yost, Fidelity & Deposit; E. E. Kolb, Maryland Casualty, and W. H. Connor, New Amsterdam Casualty.

Previous to the meeting which followed a dinner at 7 p. m., the day was taken with a number of attractive contests including golf, tennis, base ball, bait casting, fat man's race and a peanut race.

Detroit Men Stage "Funday"

DETROIT, June 24.—Hailed as a constructive step in furthering inter-industry relations here, the first annual "funday" of field men and agents, held at Oxley Beach, Ont., brought together scores of insurance men affiliated with

the Casualty & Surety Field Club of Michigan, the Detroit Association of Insurance Agents and the Surety Association of Michigan.

Baseball teams were picked from the 226 men present—equally divided between agents and casualty and surety men, in number—and the field men's team won over the agents by a margin of two runs.

A. S. Cowlin, National Bureau of Casualty & Surety Underwriters, was general chairman, aided by J. L. Dickinson, director of the Detroit Association of Insurance Agents, and Thomas Griffin, manager National Surety.

Cut Down Claim Meetings

LOUISVILLE, June 24.—The Louisville Claim Men's Association will hold but one meeting a month in July and August, instead of two, and plans outings at these. The organization is now operating a reporting bureau which card indexes questionable or chronic claims, but in such a way, by key, that there is nothing on the records to endanger a libel suit for a reporting adjuster or his company.

U. S. Guarantee Expands

The United States Guarantee recently taken over by Chubb & Son of New York, is extending its insurance operations to include public and employers' liability and plate glass. It now writes bonds, automobile liability and burglary.

ESSENTIALLY

agency companies,
recognizing the value
of full cooperation by
the Home Office with
men in the field.

United States Fidelity and Guaranty Company

R. HOWARD BLAND, *President*

Fidelity and Guaranty Fire Corporation

R. HOWARD BLAND, *President*

FRANK A. GANTERT
Vice-President and General Manager

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Writing All Automobile Covers
In One Policy

TERRITORY OPEN IN ILLINOIS AND IOWA

Goodwin Turns on Branch Offices

(CONTINUED FROM PAGE 3)

The notion that the branch office system will result in the proper selling of diversified lines, is not true according to Mr. Goodwin's belief. Should the branch office system prevail and the insurance agency be knocked out, the companies would find that they would have to turn to salaried branch office men to sell these lines, which would result, he said, in greatly increased selling costs.

Mr. Goodwin mentioned the recent tendency in New York to open new branch offices. He said it is spreading rapidly in Newark, Jersey City, Pittsburgh and other locations. The Philadelphia situation, he declared, is intolerable. Mr. Goodwin said he is informed there are 21 home domiciled companies in that city operating branch offices that are accepting business over the counters. One of these companies, he was told, in addition to its home office counter, has four or five branch offices throughout the city. He was told there are nine outside companies operating branch offices, seven others service or branch offices where business is taken over the counter.

Of the branch office companies operating in Philadelphia, he said that six are fed by 6,180 producers. That means that if 300 companies should decide to operate in the same way, there would be 309,000 producers there.

Agents Partly to Blame

Part of the blame for the Philadelphia situation Mr. Goodwin laid at the door of the agents. That method of production has been in existence there for many years without protest from the agents. Until recently there was not even an agency organization in the city, he said.

Mr. Goodwin added that a 10 percent differential to non-policy-writing agents is insufficient because of the extraordinary concessions granted those producers.

Agents in small towns, according to Mr. Goodwin, should not be complacent on the theory that the branch office system will be confined to the large cities. "The big city branch," he said, "spreads a net work of non-policy-writing producers beyond the limits of the city and into the adjoining territory. In its final analysis, the branch office system, if allowed to spread will reach to the remotest hamlet."

The increased cost of doing business would result in political interference, he declared. Possibly a branch office system would lead to state or governmental insurance.

Mr. Goodwin said that some method should be found of drawing a distinct line between companies which are sincerely committed to the American agency system and those which are leaning toward the branch office method.

Uniformity Issue Is Leading Topic

(CONTINUED FROM PAGE 20)

that these men, receiving their pay from the counties, using county offices and receiving expenses from the county, should not compete with citizens of the county in any business. The insurance men point out that the county agricultural agents might well go into the business of selling fertilizer, crop seed, feed, or other needs of the farm. If this were done, the local hardware merchant, and other local dealers would soon recognize the danger to citizens of permitting a paid officer of the county to engage in a competitive business against them. The association committee on mutuals is headed by C. L. Heaberlin, Buckley. Serving with him are A. J. Kincaid, Montgomery; R. P. DeVan, Charleston, and Robert N. Henry, Fairmont.

The meeting in Huntington was carefully planned both by the officers of the

Huntington local board and by the state association executives and proved interesting and profitable. Sufficient time was left for discussion of agents' problems. The burden of preparation for the convention and particularly the program was upon Harlan Justice, secretary, Huntington.

Committee chairmen are Charles Long, Clarksburg, grievance; A. J. Kincaid, Montgomery, legislative; W. F. Leeper, Parkersburg, membership; C. W. Thornburg, Huntington, conference, and J. T. Crane, Charleston, fire prevention. Members of the conference committee in addition to Chairman Thornburg are Fred Summers, Parkersburg, and C. L. Haerberlin, Beckley.

District vice-presidents are Roy Nadenbausch, Martinsburg, first district; H. L. Fisher, Morgantown, second; M. R. Frantz, Fairmont, third; Roy B. Naylor, Wheeling, fourth; C. O. Wolfes, Charleston, fifth; A. B. C. Bray, Logan, sixth.

The first official act of President Keim was to appoint the new finance committee, which is to begin functioning without delay. This committee is headed by F. D. Calley, Huntington, and the other members are Meredith Carver, Charleston, and Linn V. Hall, Fairmont.

Government Survey Shows Farm Insurance Inadequate

(CONTINUED FROM PAGE 33)

ualty mutuals as well as the capital stock casualty companies have made little effort to develop farm business."

Because of the generally limited purchasing power of American farmers, it is logical and important that they should be afforded protection against heavy and disastrous losses without also having to buy and pay for protection against minor or trifling losses that they can themselves bear without serious sacrifice or inconvenience, it is stated. This adds needlessly and disproportionately to the cost of insurance protection.

The report closes with this conclusion: "Only by a decently managed insurance organization with the coverage limited to cases with more substantial and burdensome loss, can the cost of insurance for agriculture be kept appropriately low, and only thus can it be made possible for the farmer to carry in reasonable amounts all the various forms of insurance protection that he urgently needs."

It is emphasized that farmers urgently need accident and health insurance, as there is great hazard in operating farm machinery and doing the many forms of manual labor necessary on a farm.

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PERSONALS

At the annual meeting of the chamber of commerce of San Francisco, Leland W. Cutler, vice-president Fidelity & Deposit, was named president for his second term and A. M. Brown Jr., vice-president of Edward Brown & Sons general agency, was again chosen a director.

Mr. Cutler has also been reelected a trustee of Stanford University. President Hoover is a member of this board.

W. E. Lebby of the Behrendt Levy-Rosen Company, Los Angeles, elected first vice-president of the National Association of Accident & Health Managers at its Detroit meeting, who went east after that meeting, stopped in Chicago last week on his way back to the coast to confer with President L. D. Edson in regard to the association's plans for the coming year.

John A. Keelan, superintendent of agents of the Time of Milwaukee, has entirely recuperated from an appendicitis operation and is now back on the job.

Funeral services were held Monday for W. M. Rise, assistant treasurer and secretary Pennsylvania Indemnity, who died at his home in Germantown, Pa., at the age of 81. He graduated from the University of Pennsylvania in 1869.

J. H. Huckleberry, vice-president and general counsel at the St. Louis office of the Southern Surety, died last week in a Des Moines hospital, where he had been ill for the last three months. Mr. Huckleberry was connected with the Southern Surety for nearly 23 years, joining the company when it was organized at Muskogee, Okla. He had previously been assistant United States district attorney there. Before the reorganization of the Southern Surety two years ago he was a resident of Des Moines. He was born in Van Buren, Ark., in 1872 and was educated at De Pauw University, receiving the degrees of Ph.D., A.M. and LL.B.

S. J. Cunningham, assistant Los Angeles superintendent of the Commercial Casualty and Metropolitan Casualty, was married recently to Miss Luisa Bartning of Los Angeles.

G. F. Michelbacher, vice-president Great American Indemnity, is spending his vacation renewing old acquaintances in San Francisco and vicinity. Mr. Michelbacher is a native Californian who migrated to New York some years ago, to become one of the outstanding insurance executives in the country. Mr. Michelbacher plans to leave for the Pacific northwest the latter part of June. After a week there, he will return to the home office in New York.

A. T. Weaver, treasurer and managing director of the Autoist Mutual of Chicago, died at his home in that city at the age of 65. He was formerly general sales manager of the Interstate Iron & Steel Co.

Leon S. Senior, manager and secretary of the Compensation Inspection Rating Board of New York State, whose mental sword-crossing with Frederick Richardson, United States manager of the General Accident, afforded a great deal of intellectual entertainment to the casualty fraternity, was one of the first men in this country to envision the wonderful development of workmen's compensation insurance. Back in 1911, while attached to the New York insurance department, Mr. Senior became convinced of the future of a line of indemnity then in its infancy. He sent to Washington and secured from governmental agencies everything of interest bearing upon industrial hazards. When a few years later New York enacted its workmen's

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compensation law, requiring the formation of a central state rating bureau for the business, Mr. Senior was appointed its manager, being the best equipped man to be found for the work. He has occupied the post continuously ever since. His opinions are held in such regard by members of the fraternity, that even when issue is sometimes taken with him, the objectors, as did Mr. Richardson, never fail to make "profound salutations."

President H. A. Behrens of the Continental Casualty has gone to his summer home on Belvidere Island in San Francisco Bay to spend the summer. Vice-President M. P. Cornelius has gone to his summer home in northern Wisconsin.

S. T. Whatley, Aetna general agent in Chicago, was host at a luncheon in honor of Percy D. Smith, manager accident department, Whatley agency, upon completion of 40 years' continuous service with the Aetna. The affair was attended by the staff and several personal friends of Mr. Smith. Albert E. Mielenz, Milwaukee general agent of the Aetna, a lifelong friend and former associate, attended as a special tribute. Herbert Florer, agency department, Hartford, attended as official representative. Telegrams were received from President Morgan B. Brainard, Vice-president K. A. Luther, old friends and associates.

Mr. Whatley was toastmaster and paid tribute to Mr. Smith. There were short talks by Messrs. Mielenz, Florer and Harv Anderson, Rockwood Company, Chicago, also an old friend, and Eliot C. Williams and James Ledy of the Whatley agency, who have been associated closely with Mr. Smith for 20 years.

The staff presented 60 new accident applications, totaling over \$1,500 premiums. Mr. Smith went with the Aetna when he was 14. It is interesting to note that he started in the building formerly at Madison and La Salle, and now

40 years later is at the same location in the One La Salle Street building.

Miss Lorene Conner, one of the leading personal producers for the Lyle Stephenson agency, Kansas City, Mo., left June 17 for Quebec where she will sail with three companions for a six

weeks' tour of England, France, Holland and Belgium.

Mr. and Mrs. T. E. Braniff of Oklahoma City and their family left Friday for New York and sailed June 24 on the Volcania for a two months' tour of Europe.

NEWS OF THE COMPANIES

May Is Second Best Month Company Is Now Extending

U. S. F. & G.'s June Business Also Indicates Good Results—Reserves Large in History

BALTIMORE, June 24.—The United States Fidelity & Guaranty had its second best month of the year in May when net income amounted to \$230,000 after all expenses and losses. This was somewhat less than net income for the comparative month last year, but was well above the usual monthly average. Gross business in May was only slightly less than for the same month last year, and for the first five months ended May 30 decreased 8 percent.

June Figures Favorable

Business coming in so far in June, for which period incomplete figures are available, indicates that results for the current month are equaling if not exceeding those for May.

Although dividend requirements were not covered in the first five months, the management believes the United States Fidelity & Guaranty has more than held its own under existing business conditions. A conservative policy has been pursued as to reserves, it was stated, which are now the largest in its history, premium and claim reserves combined, as of June 1, amounting to \$41,108,908. Approximately \$500,000 has been added since Dec. 31.

Illinois National Casualty Has Branched Out More Actively in the Agency Field

The Illinois National Casualty of Chicago, which writes full cover automobile insurance, acquired over 300 agents when it took over the business of the Eastern Auto Insurance Underwriters, Springfield, Ill., reciprocal. The Illinois National Casualty got a license in Indiana, inasmuch as the Eastern is operating in that state as well as Illinois. President T. H. Reiter engineered the reinsurance deal. Vice-President C. H. Burr and Superintendent of Agents Cecil Morse are giving considerable attention to field work. The Illinois National Casualty shows it made excellent progress.

Aetna Life Figures

In the table of compensation experience on page 124 of the 1931 Argus Casualty and Surety Chart a typographical error was made in the figures of the Aetna Life. The figure for "Total Loss Reserves" on the right hand side of the page should be \$9,446,807 instead of \$94,468.

The Interstate Business Men's Accident of Des Moines is licensed in Illinois as a mutual casualty company writing accident and health insurance. Previously it had been licensed as an assessment association.

Insurer Required to Pay on Assured's Settlement

Two important rulings in automobile liability insurance are made by the Michigan supreme court in the case of Elliot vs. Casualty Association of America, a reciprocal. The business getting organization of the Casualty Association is known as the Federal Motor Club.

The rulings are, first, that when an insurer refuses to defend a claim it is a breach of the liability policy, and the assured is released from the policy conditions. Specifically, the assured is at liberty to settle with the claimant and can recover the amount of the settlement, notwithstanding the policy conditions against his interfering with claims. Second, the giving of a promissory note in satisfaction of a judgment is sufficient payment under the "indemnity" clause and entitles the assured to recovery under the policy. "If possible, the construction of the language used in the policy should be such as to make it of some value to the insured," said the supreme court. "There is no sense or justice in holding that unless his loss is in actual currency he cannot ask his insurer to reimburse him. We take the satisfaction of the judgment in this case by promissory note was sufficient compliance with the requirements of the policy." The trial court was subject to enter a judgment for the full \$10,000, plus cost, against the reciprocal.

The Michigan department is examining the reciprocal and will be joined by California.

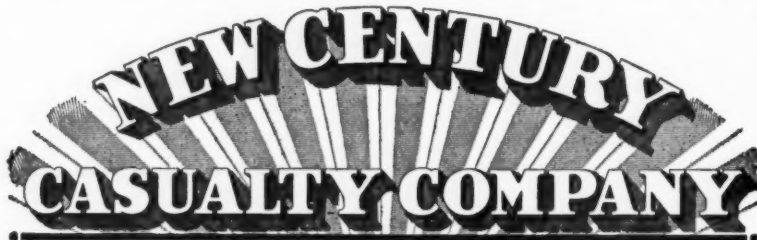
M. P. Hawkins Resigns

Milton P. Hawkins, general agent for the Connecticut General Life in Los Angeles since 1925 and president of the Accident & Health Managers Club of that city, has resigned. The company plans to establish a branch office in Los Angeles.

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